THE DEPARTMENT OF COMMERCE ANNUAL PERFORMANCE PLAN

FISCAL YEAR 1999

WILLIAM M. DALEY
SECRETARY

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March 1998

FOREWORD

I take great pride in the accomplishments of the Department of Commerce during the past year. In the year ahead, we will continue to play a vital role in shaping and implementing the Administration's successful economic policy.

Our core mission is to work in partnership with business, universities, communities, and workers to promote job creation, economic growth, sustainable development, and improved living standards for all Americans. This Annual Performance Plan, which supplements our five-year Strategic Plan issued last September and the budget justification documents for FY 1999, explains in detail how the Department intends to fulfill our mission in FY 1999. Consistent with my emphasis on making our management practices more efficient and ensuring that our programs deliver the highest value to the American taxpayer, it sets forth our central goals and objectives and describes how we intend to accomplish them and measure our performance in doing so.

I am pleased to present this Plan on behalf of the Department's employees, who are dedicated to the challenges of fulfilling our important mission and ensuring that we serve the needs of the American people effectively.

William M. Daley
Secretary of Commerce

FY 1999 ANNUAL PERFORMANCE PLAN
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THE COMMERCE MISSION STATEMENT

The Department of Commerce promotes job creation, economic growth, sustainable development, and improved living standards for all Americans, by working in partnership with business, universities, communities, and workers. The Commerce mission incorporates three themes:

1. ECONOMIC INFRASTRUCTURE

Build for the future and promote U.S. competitiveness in the global marketplace, by strengthening and safeguarding the Nation's economic infrastructure;

2. SCIENCE, TECHNOLOGY, AND INFORMATION

Keep America competitive with cutting-edge science and technology and an unrivaled information base; and

3. STEWARDSHIP OF RESOURCES AND ASSETS

Provide effective management and stewardship of our Nation's resources and assets to ensure sustainable economic opportunities.

The Commerce Mission Statement serves both as a statement of Departmental philosophy and as the guiding force behind the Department's programs. The Annual Performance Plan is organized to reflect these three themes.

INTRODUCTION

A. OVERVIEW

America and the world have entered a period of rapid change. Global competition, new technologies, the end of the Cold War, and the rapid development of the marketplace have presented America with both challenges and opportunities.

Under the leadership of President Clinton and Vice-President Gore, America has enjoyed five years of steady economic growth, low inflation, and low unemployment rates. The statistics are impressive: in this period, some 15 million new jobs were created -- 93 percent of them in the private sector. Unemployment has fallen from 7.4 percent to 4.6 percent -- the lowest rate since 1970, and the percentage of Americans in the work force has reached an all time high. Real wages have been on the increase for more than a year after a decade of stagnation. The budget deficit has been cut from $290.4 billion in FY 1992 to zero in FY 1999.

Through its programs, the Commerce Department has made important contributions to the progress of the Nation's economy. Our past and continued success in these areas stem from our ability to plan strategically. The Commerce Strategic Plan, which resulted from the planning process mandated by the Government Performance and Results Act, provides a framework for maximizing the use of available resources.

One of Secretary Daley's first steps when he took office was to launch an ambitious agenda of management improvement. The purpose of this effort has been to bring oversight, discipline, and accountability to the Department's programs. In FY 1997, for example, the Secretary restructured trade missions and slashed the number of political appointees. His agenda for the future includes ensuring an outstanding 2000 Decennial Census, strengthening patent management, automating major systems, strengthening security operations, and implementing a number of measures to increase efficiency and effectiveness.

The Strategic Plan provides a basic, long-term framework addressing our overall and ongoing purposes; this Annual Performance Plan provides detailed information for the first year covered in the Strategic Plan. The Annual Performance Plan, combined with the annual budget process, will help us focus on specific priorities and emerging initiatives. It also provides an opportunity to match actual accomplishments against planned targets.

B. SECRETARIAL INITIATIVES

For FY 1999, Secretary Daley has proposed eight major policy initiatives, which we summarize on the following pages. These relate directly to the basic functions of the Department and encompass cross-cutting issues that will engage different parts of the Department in coordinated responses to important public policy challenges.

For example, the Natural Disaster Reduction Initiative, announced by the Secretary on March 3, brings together the National Oceanic and Atmospheric Administration (NOAA), the Economic Development Administration (EDA), the Technology Administration/National Institute of Standards and Technology (TA/NIST), and the

FY 1999 INITIATIVES AND COMMERCE STRATEGIC THEMES

Commerce Budget Initiatives	Theme 1 Economic Infrastructure	Theme 2 Science, Technology, Information	Theme 3 Resource and Asset Management and Stewardship
Decennial Census		X	
Upgrade Statistics	X	X	
Sustainable Development	X		X
Scientific Infrastructure	X	X	
Natural Disaster Reduction	X	X	X
Economic and Trade Assistance	X		
Public Broadcasting Conversion	X		X
Electronic Commerce	X	X	X

Bureau of Export Administration (BXA) in a multi-dimensional response to the physical, social, and economic costs of severe weather and other natural disasters.

As reflected in the table above, each of the Secretarial Initiatives fits within one or more of the Department's three Strategic Themes: Economic Infrastructure; Science, Technology, and Information; and Stewardship of Resources and Assets. These initiatives are designed to take maximum advantage of the diverse missions of the Department -- utilizing the strengths of different bureaus and, in the process, drawing the bureaus more closely together through shared responsibilities.

The addition of new FY 1999 resources will help focus our existing efforts in these priority topics. For example, EDA, the Minority Business Development Agency (MBDA), the Patent and Trademark Office (PTO), and the International Trade Administration (ITA) already make use of electronic communications to assist their customers, but these efforts will be bolstered through the establishment of the Department-wide Electronic Commerce initiative and its funding for the Bureau of the Census (Census), NOAA and National Telecommunications and Information Administration (NTIA).

■ **Conduct the Decennial Census.** Preparing to conduct the most accurate and fiscally responsible Decennial Census possible is among the highest priorities for the Department in FY 1999, when final preparations are to be made. The National Academy of Sciences, after several years of study, has recommended that traditional methods be complemented with scientific sampling along the lines that Census has adopted for the 2000 Decennial Census. (The scope and unique nature of the Decennial Census warrant the Secretary's inclusion of it among the other high profile items for which special funding is requested in the FY 1999 budget.)

■ **Upgrade the Nation's Statistics.** Improving the Nation's information is crucial to sound decision-making by business and policy makers. The dynamic U.S. economy has been creating new industries and expanding aspects of existing ones, yet we are straining to measure it accurately. Institutions in this country -- ranging from the Federal Reserve System to major employers to small investors in financial markets -- require relevant and timely information that reflects the modern economy accurately. Both the Bureau of Economic Analysis (BEA) and Census within the Economics and Statistics Administration (ESA) will work on this critical initiative.

■ **Foster Sustainable Development.** This initiative is intended to ensure that Americans reap the benefits from both a healthy environment and a strong economy. With this initiative, NOAA seeks

to build on the strengths of commercial and recreational fishing industries, protect coastal and marine species and habitats, and support coastal communities. These efforts lead to improvements in employment and economic development and maintenance of healthy coastal ecosystems, which are the foundation for tourism, fishing, and other economic sectors that generate over $100 billion annually in the nation's coastal communities. NOAA's participation in the Administration's Clean Water Initiative will help the Federal government continue to assist state and local communities as they respond to outbreaks of harmful algal blooms, such as Pfiesteria and red tide.

■ **Preserve and Enhance Scientific Infrastructure.** This initiative will help to harness the power of advanced technology. Several Commerce programs (such as the NIST's Advanced Technology Program (ATP), Manufacturing Extension Partnership Program (MEP), Measurement and Standards Laboratories, and NOAA's Climate and Global Change program) will contribute to this initiative.

■ **Promote Natural Disaster Reduction.** Recognizing that while we cannot control the forces of nature, we can do more to reduce harm and promote long-term recovery. This initiative focuses on how Commerce programs can help our Nation to save lives and reduce the costs of future natural disasters. Restoring funding for the National Weather Service base operations pursuant to the recommendations of General John Kelly, Jr., is a key component of this initiative.

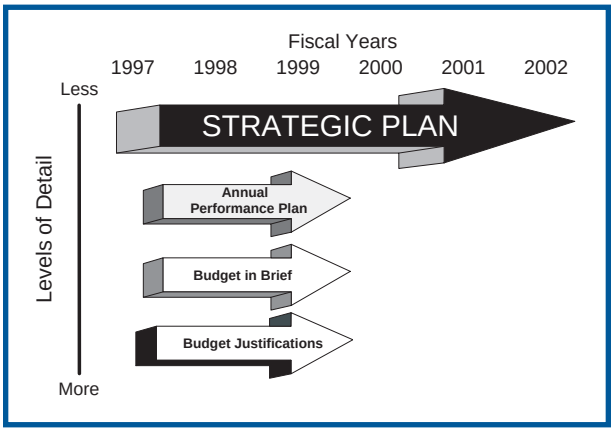
■ **Economic and Trade Assistance for Impacted Communities.** A new office in EDA will coordinate the Federal response to communities and localities experiencing major plant closings or adjusting to changing trade patterns. This coordinated effort will give our communities the tools they need to compete in the global marketplace as effectively as possible.

■ **Support Public Broadcasting Digital Conversion.** This is a commitment to ensure that public broadcasting is modernized to preserve universal access in the digital age. As the broadcasting industry converts to digital equipment, the public broadcasting stations must keep pace, but these stations will have difficulty generating the resources to invest in necessary technology required to retain their spectrum licenses. NTIA, in a joint program with the Corporation for Public Broadcasting, will provide grants to stations that support the conversion and promote greater efficiency and innovation in the public broadcasting system.

■ **Promote Electronic Commerce.** In July 1997, the President asked Commerce to take the lead in expanding economic growth through the Internet and other computer-based communications. Commerce's focus on areas such as telecommunications, encryption, and intellectual property protection, place Commerce at the forefront of this initiative. EDA, NTIA, MBDA, PTO, ITA, and NIST will contribute to this initiative

C. THE ANNUAL PERFORMANCE PLAN

This Annual Performance Plan is one of a series of four documents we have produced for use in managing our programs in FY 1999. The relationship between these documents is illustrated below:



■ *The FY 1997-2002 Strategic Plan,* summarized in Appendix 1, identifies and describes our three Strategic Themes; describes our overall strategies, goals, and objectives; and establishes the framework within which our programs are delivered to the American people.

All Commerce bureaus participated actively in its development, and its goals and objectives are being used by all bureaus in managing their programs. The Strategic Plan provides the framework for this Annual Performance Plan.

■ *The FY 1999 budget justification documents*, developed for each Commerce bureau, contain the detailed information that link specific budget requests to the goals, objectives, and performance measures contained in this Annual Performance Plan. Those linkages are illustrated in Appendix 2.

■ *The FY 1999 Commerce Budget in Brief* summarizes our FY 1999 budget requests and provides a linkage to the Strategic Themes. A sample of relevant performance measures is contained in each bureau-specific chapter of the Budget in Brief.

D. USE OF THE ANNUAL PERFORMANCE PLAN

The Department of Commerce's FY 1999 Annual Performance Plan is intended to serve several different users. **Most important, the Department of Commerce's senior leadership, and our program managers and staff, will use the Annual Performance Plan as a management tool for FY 1999.**

In the spring of 1998, we expect that the Annual Performance Plan will be used to serve the following purposes:

■ a key element in the dialogue between Congress and the Department regarding our FY 1999 budget request;

■ a framework for congressional analysis of our FY 1999 budget request, which in turn will provide useful input to the start of the FY 2000 planning process;

■ a vehicle for bureaus to use in collecting and assessing performance measure information, which will provide essential insight in reviewing FY 1997 accomplishments and evaluating FY 1998 actions;

■ a means for ensuring that we focus our efforts on the Secretary's key initiatives; and

■ a key source of input for a Department-wide process for better integrating planning and budgeting activities.

In support of our FY 1998 responsibilities, we will focus on two areas of program management: linkages and administrative services. Commerce seeks to ensure that our programs complement, but do not duplicate programs in other agencies. In developing this Annual Performance Plan, we conducted an inventory of key interagency connections for major programs in all bureaus, and, in FY 1998, we will seek to identify their goals, objectives, and performance measures, in order to avoid duplication.

We will work with the Office of Management and Budget (OMB), the National Academy of Public Administration's Performance Consortium (in which we are the lead among 20 member agencies) and related groups in order to find new ways to measure performance in areas that otherwise are difficult to measure, including financial management and information resources management.

We expect to include the results of these two new efforts in the FY 2000 Annual Performance Plan.

E. VALIDATION AND VERIFICATION OF PERFORMANCE MEASURES

The Department of Commerce has given great attention to the validation and verification of performance measures. The reliability of the data supporting these measures is essential to demonstrate their integrity and utility. The Department's approach relies primarily on thorough documentation, supported by independent review. Several information systems are used for this purpose.

The **International Trade Administration**, for example, maintains written records of contacts with U.S. firms and other customers, which are verified by management. This data is supplemented with customer information gathered through comprehensive customer surveys.

The **Bureau of Economic Analysis** uses the *Survey of Current Business* to document and enumerate its sources of data and its analyses of these data. The results of these activities are incorporated into BEA's publicly released documents.

Special purpose data bases are used by the **Bureau of Export Administration** for its verification and validation procedures. The Export Control Automated Support System (ECASS), for example,

provides information about license applications and characteristics, as well as about BXA's actions on them.

The **National Oceanic and Atmospheric Administration** uses a variety of techniques. NOAA's science programs were reviewed in the *Review of NOAA Science Enterprise* and are subjected to regular reviews by the National Research Council. In addition, organizations such as the U.S. Global Changes Research Program and the Tropical Oceans-Global Atmosphere program's Scientific Steering Committee also validate NOAA data.

The **National Institute of Standards and Technology's** programs track a wide variety of performance measures, each of which can be verified independently. NIST also uses external peer review to assess program performance, in accordance with GPRA Alternative Format provisions, and augments that information with economic impact analyses to assess the returns from individual projects. These data and information sources can be verified through their respective primary sources. In addition, the NIST accounting system can verify all costs associated with each program.

Other examples of validation mechanisms include:

- EDA's comprehensive, automated performance measurement system which uses relational database technology;

- MBDA's verification through the Minority Business Opportunity Committees, franchisers, and other independent minority business enterprises;

- PTO's many systems, including the Patent Application Location Monitoring database; and

- NTIA's development of testing procedures in its own strategic planning process to evaluate and assess program achievements according to planned performance measures.

In sum, the Department of Commerce is determined to assure the most reliable performance measurement system possible and has instituted a wide range of measures to achieve that goal.

F. OVERVIEW OF CHAPTERS 1-4

The Annual Performance Plan is organized as follows:

■ **Chapters 1-3 are devoted to the three strategic themes of the Department: Economic Infrastructure; Science, Technology, and Information; and Stewardship of Resources and Assets.** Each chapter describes the major goals and Secretarial initiatives that support the Chapter's respective theme. For example, Chapter 1 explains the rationale, or "mission", for each key goal related to Economic Infrastructure, how we plan to achieve it, and how we propose to measure performance.

■ **Chapter 4 contains the Department's objectives, performance measures, and budget request information.** This is the heart of the Annual Performance Plan. Chapter 4 is organized into three sections related to the three Strategic Themes. Therefore Chapters 1, 2 and 3 correspond directly to Chapters 4-A, 4-B, and 4-C respectively.

■ Economic Infrastructure	Chapter 1	Chapter 4-A
■ Science, Technology, and Information	Chapter 2	Chapter 4-B
■ Stewardship of Resources and Assets	Chapter 3	Chapter 4-C

■ **Each goal identified in Chapters 1-3 corresponds numerically to the detailed list of performance measures contained in Chapter 4.** For example, in Chapter 1, Goal 1.0, "Export Growth", corresponds to the series of numbered performance measures related to Export Growth, beginning with 1.0 in Chapter 4. (Page references are indicated in footnotes.)

■ Supplemental information, such as interagency activities, are contained in appendices to the main text.

CHAPTER 1
ECONOMIC INFRASTRUCTURE

To build for the future and promote U.S. competitiveness in the global marketplace, by strengthening and safeguarding the Nation's economic infrastructure.

INTRODUCTION

This theme encompasses our work to expand trade, create jobs, support minority business, assist in technological innovation, protect new ideas enhance our communities, strengthen our information infrastructure, and provide environmental predictions to better protect life and property.

Specifically, we are committed to:

- Opening and expanding foreign markets for U.S. goods and services and improving America's export performance;

- Improving coordination and planning among Federal export promotion programs and reducing or eliminating unnecessary obstacles to exports; and

- Actively promoting initiatives supporting development of the National Information Infrastructure, improved information about the economy, expanding economic development and planning assistance to distressed areas, and expedited technology assistance to private sector users.

KEY GOALS AND OBJECTIVES

This chapter outlines how we intend to pursue our key goals and objectives for **Economic Infrastructure** in FY 1999. The detailed material to support this chapter is contained in Chapter 4-A, which provides comprehensive lists of goals, objectives, and quantitative performance measures corresponding to this first Strategic Theme. Chapter 4-A sets out the specific measures the Department is utilizing to track and quantify its performance in areas that include: promoting trade and exports; improving the measurement of key economic data; assisting economically-distressed communities; increasing opportunities for minority-owned businesses; disseminating technological information and services to the private sector; protecting and promoting intellectual property rights; developing a National Information Infrastructure through a range of telecommunications and other information initiatives; and assisting individuals and businesses through improved environmental forecasting and related programs.

The programs and measurements described in Chapter 1 and in the tables in Chapter 4-A tie directly to the major Secretarial Initiatives summarized in the Introduction. Those cross-cutting Initiatives provide the overarching policy framework to guide the Department in FY 1999.

1.0 EXPORT GROWTH[1]

Mission:

Secretary Daley has committed to implementing the President's National Export Strategy, our Nation's first-ever blueprint to generate high-paying jobs through exports. The Secretary does this through the Trade Promotion Coordinating Committee, which he chairs. In pursuing this goal, we will follow a strategy that involves policy-setting and -integrating among Federal agencies and assistance to the private sector.

ITA helps enhance U.S. exports, particularly those of small- and medium-sized firms.

Objectives:

Key objectives to promote export growth are:

[1] See pages 31-35 for detailed performance measures.

■ Strengthening trade advocacy, trade promotion, and the Trade Promotion Coordinating Committee;

■ Using the Export Assistance Centers to provide increasing trade assistance targeted to small and medium-sized businesses;

■ Using the Advocacy Center to focus on increasing the number of successful projects abroad;

■ Expanding the Trade Compliance Center's activities and developing a database for use in monitoring compliance; and

■ Using our commercial activities to enhance U.S. foreign policy.

Performance Measures:

Key performance measures we will apply in FY 1999 are:

■ We plan to provide advocacy support to U.S. firms for 700 overseas projects, 50 more than in FY 1998, with a corresponding increase in total project value of $10 billion over FY 1998's total of $135 billion. We estimate gross U.S. exports derived from advocacy to reach $12 billion.

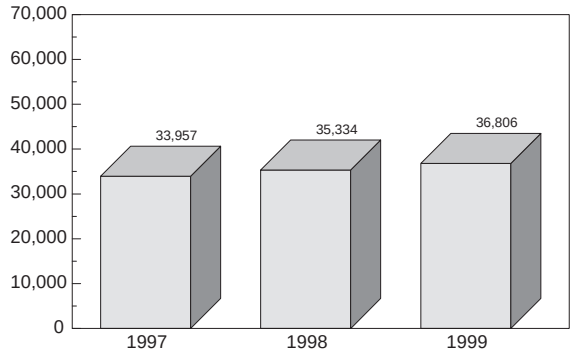
■ Our Import Administration unit plans to initiate twice as many Anti-Dumping/Countervailing Duty (AD/CVD) Sunset reviews as in FY 1998, increasing from 65 to 130 reviews.

■ Trade promotion efforts will result in approximately 10,649 New-to-Export firms, more than 100 over our expected FY 1998 level. We project our efforts will result in nearly 1,500 more New-to-Market firms than in FY 1998, up to a total of 36,800. (See illustration)

ITA IS HELPING MORE FIRMS ENTER NEW EXPORT MARKETS

International Trade Administration

New to Market Firms Receiving Assistance



For FY 1999, we request an additional $3.6 million for trade development and market access and compliance activities, which will be focused on providing greater response and information to small- and medium-sized firms.

EXPORT PROTECTION

Mission:

At the same time, as we improve the ability of our firms to export, we must be able to re-examine export controls and assure that American companies are exporting in accordance with U.S. national security, foreign policy, and counter-terrorism interests. Through BXA, the Commerce Department follows a strategy of diversifying national economies and converting defense industries to other uses, and moving increasingly into areas of high technology.

Objectives:

Key objectives to promote exports are:

■ Conducting outreach and counseling through advice to industry, and conducting seminars on export control and defense conversion issues;

■ Providing advocacy for U.S. defense-related industries and firms;

■ Encryption licensing; and

■ More efficient processing of export licenses.

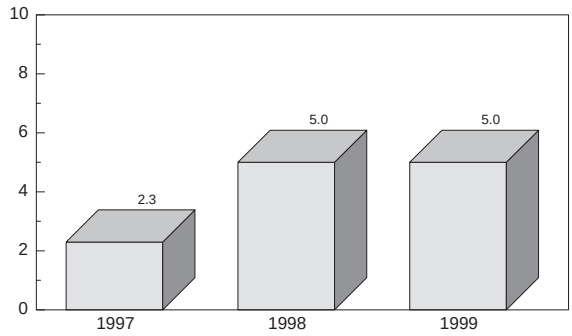
Performance Measures:

Specific FY 1999 performance measures we will apply are:

■ An average processing time for license applications of 33 days and an average processing time for commodity classifications of 20 days; processing 50% of commodity classifications within 14 days; and facilitating $5 billion in defense industry exports. (See illustration)

For FY 1999, we request an increase of $5.2 million for implementing this strategy, to be devoted to

BXA IS HELPING DEFENSE INDUSTRIES CONVERT TO PEACETIME TECHNOLOGIES



implementing the Chemical Weapons Convention, encryption controls, and preventive enforcement to stop illegal shipments before they reach their destination.

2.0 IMPROVED ECONOMIC STATISTICS[2]

Mission:

Reliable and consistent measures of economic activity are essential to sound decision-making by policymakers and business people and to the efficient operation of our financial markets. However, the discrepancy between the Federal government's product-side (Gross Domestic Product or GDP) and income-side (Gross Domestic Income or GDI) measures prevents an accurate assessment of the Nation's productivity and its ability to sustain the current level of economic expansion without renewing inflationary pressures. The Department plans a far-reaching effort to improve our measures of GDP and other key economic statistics by developing new methods and updating and expanding the coverage of source data, especially in rapidly growing sectors such as services and computers.

Objectives:

Key objectives to be pursued in addressing this strategy are:

■ Developing improved measures of output (real GDP), income (GDI), and prices, in order to provide a clearer picture of economic activity and more accurate inputs for Federal budget projections, monetary policy, and long-run planning for social security and health care; and

■ Developing efficient and innovative methods and practices to improve the quality and timeliness of economic data, while reducing the cost and respondent burden of collecting the data.

3.0 JOB CREATION AND ECONOMIC HEALTH OF OUR COMMUNITIES[3]

Mission:

EDA supports job creation through the activities of grants awarded to alleviate conditions of substantial and persistent unemployment and underemployment in economically-distressed areas of the Nation. EDA's strategy revolves around helping communities make the best use of those who use planning and public works grants to alleviate conditions in these areas. All of EDA's performance goals relate directly to job creation, local capacity building, information dissemination, and recovery from economic dislocation.

Objectives:

Key objectives to spur job creation and promote the economic health of our communities are:

■ Building, rebuilding, or expanding vital public infrastructure facilities that offer substantial employment potential and improving the capacity for economic growth in distressed areas;

■ Providing technical assistance to communities to solve specific economic development problems, responding to development opportunities, and building and expanding local organizational capacity in distressed areas; and

■ Overcoming specific capital market gaps and encouraging greater private sector participation in economic development activities, by establishing or expanding revolving loan funds in economically distressed areas.

2 See pages 36-38 for detailed performance measures.

3 See pages 39-40 for detailed performance measures.

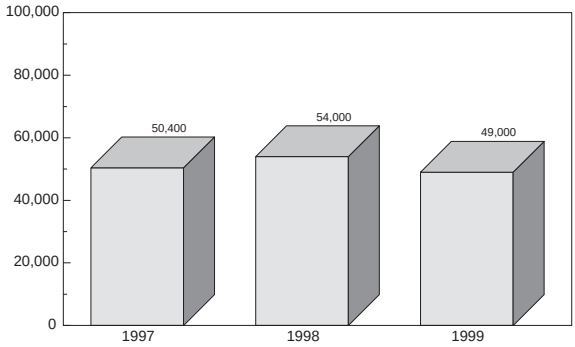
Performance Measures:

■ In FY 1999, EDA projects that its public works program will allow communities to create or retain 49,000 jobs. (See illustration)

EDA IS HELPING TO CREATE AND RETAIN JOBS IN DISTRESSED COMMUNITIES

Economic Development Administration

Number of Jobs created and/or retained



■ EDA projects that $1 billion in private sector funds will be invested in EDA public works projects.

For FY 1999, EDA requests an increase of $49.3 million in the Economic Adjustment program to coordinate its own and other Federal assistance to communities adversely affected by major plant closings or adjusting to changing trade patterns, with an objective of restructuring their economic base and reshaping their economic infrastructure.

4.0 SUPPORT FOR MINORITY BUSINESS[4]

Mission:

The Department is committed to improving opportunities for minority-owned businesses to have access to the marketplace, and improving the opportunity for minority-owned businesses to pursue financing. The strategy of MBDA for accomplishing this is to both identify growth industries for minority businesses and to encourage minority business use of business tools that are needed to succeed in the competitive national and global marketplaces.

Objectives:

Key objectives to support minority business are:

■ Identifying industry sectors offering potential for high growth in geographic service areas, and assessing networks of available public and private resources to assist minority-owned businesses to penetrate these industries;

■ Providing management and technical assistance to minority business enterprises; and

■ Coordinating and leveraging resources with those of the Federal, State, and local government and private sector purchasers, to deliver timely procurement information to minority-owned businesses.

Performance Measures:

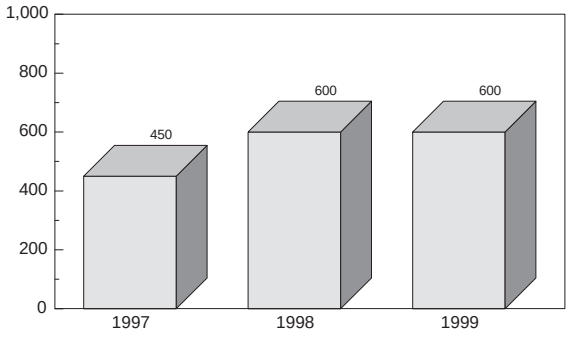
A key performance measure for FY 1999 includes:

■ Targeting industry sectors offering potential for high growth in geographic service areas, and networks of available public and private resources to assist minority-owned businesses to penetrate these industries. MBDA expects that almost 900 contracts, valued at $600 million, will be approved for assisted companies. (See illustration)

MBDA IS HELPING MINORITY-OWNED BUSINESSES TO WIN MORE CONTRACTS

Minority Business Development Agency

Dollar value for contracts awarded to assisted companies (in millions)



For FY 1999, MBDA requests an increase of $2.8 million to maintain the FY 1997 level of operations and to continue implementing reinvention efforts in delivering services to the business community.

[4] See pages 41-42 for detailed performance measures.

5.0 TECHNOLOGICAL INNOVATION[5]

Mission:

Commerce actively pursues a strategy of stimulating U.S. economic growth by developing high-risk and enabling technologies through industry-driven cost-shared partnerships. We will continue to use NIST to identify and promote such technologies, leverage resources for technological innovation by strengthening and expanding partnership connections, and leverage R&D investment and speed the pace of innovation by providing researchers with a common technical basis for describing, comparing, and exchanging results.

Objectives:

Key objectives for advancing technology are:

■ Encouraging the development and rapid diffusion of high risk, enabling technologies that generate broad-based economic benefits through innovative products, services, and industrial processes; and

■ Developing improved approaches and organizational mechanisms for supporting the rapid adoption of new technologies.

Performance Measures:

Performance measures for FY 1999 are:

■ NIST's ATP program will have led to industry bringing additional technologies under commercialization, for a cumulative total of 160. (See illustration) NIST also will continue to focus on annual impact analyses.

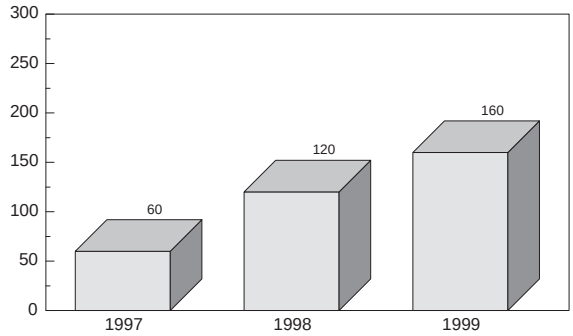
For FY 1999, NIST requests an additional $67.4 million for a general, industry-driven competition for cost-sharing partnership, and for new, focused competitions on clearly stated, industry-defined technical goals.

NIST IS PARTNERING WITH INDUSTRY TO DEVELOP ADVANCED TECHNOLOGIES

National Institute of Standards and Technology

Advanced Technology Program

Number of technologies under commercialization



6.0 PROTECTING INTELLECTUAL PROPERTY[6]

Mission:

Promoting awareness of, and supporting effective protection for, intellectual property are vital functions of PTO. In the competitive world marketplace, this protection is essential to the Nation's technological future.

Objectives:

Key objectives to protect intellectual property are:

■ Developing the highest quality information products and services;

■ Improving customer satisfaction by understanding and supporting customer needs;

■ Promoting the use and accessibility of intellectual property information; and

■ Expanding intellectual property rights systems around the world.

Performance Measures:

A specific performance measure for FY 1999 is:

■ To promote intellectual property protection overseas, PTO will provide technical assistance to 52 developing countries.

For FY 1999, PTO requests an additional $60 million to address increasing workload demands for patent applications, $3.6 million for trademark workload demands, $7.1 million for information dissemination activities, and $2.2 million for policy leadership.

5 See pages 43-46 for detailed performance measures.

6 See page 47 for detailed performance measures.

7.0 INFORMATION INFRASTRUCTURE[7]

Mission:

NTIA in Commerce supports the development of a National Information Infrastructure (NII) that will be accessible to all Americans. Our strategy has several elements and includes providing support to local innovative demonstrations in telecommunications and ensuring that the benefits of telecommunication are available across the Nation.

Objectives:

Key objectives supporting development of the national information infrastructure are:

■ Administering the Information Infrastructure Grants program to assist educational, health care and other social service entities in planning and developing their telecommunications and information infrastructure;

■ Improving delivery of communications products and services to the public through Executive Branch initiatives; and

■ Ensuring that educational and cultural benefits of public broadcasting are widely available, and promoting the use of telecommunications technologies to improve the effectiveness of distance learning.

Performance Measures:

Specific measures for FY 1999 are:

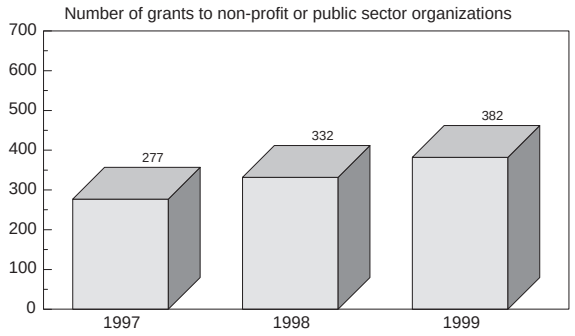
■ NTIA will support the development of 382 models for utilizing the information infrastructure by non-profit or public sector organizations. (See illustration)

■ NTIA will promote policies to ensure that 95% of the Nation receives public broadcasting service.

For FY 1999, NTIA requests an additional $0.4 million in appropriations and $1.6 million in fees to establish a common national telecommunications strategy for Federal, State, and local public safety agencies.

NTIA IS INCREASING THE USE OF TELECOMMUNICATIONS BY LOCAL PUBLIC OR NON-PROFIT ORGANIZATIONS

National Telecommunications & Information Administration



8.0 PROTECTING LIFE AND PROPERTY[8]

Mission:

Better environmental predictions are essential for protecting life and property. Improved short-term warning and forecast products and services enhance both public safety and the economy by improving the ability to observe, understand, and model the environment, and effectively disseminate products and services to users.

Objectives:

Key objectives for protecting life and property are:

■ Maintaining the modernized operations of the National Weather Service to continue improving the timeliness and accuracy of short-range environmental predictions that have immediate impact on individuals and many sectors of the economy;

■ Maintaining continuous operational satellite coverage, critical for warnings and forecasts;

■ Strengthening observing and prediction systems through scientific, technological, and programmatic advances, and international cooperation; and

■ Improving customer service to the public, emergency managers, the media, and private forecasters through effective communication and utilization of critical weather data and information necessary for protection of life and property.

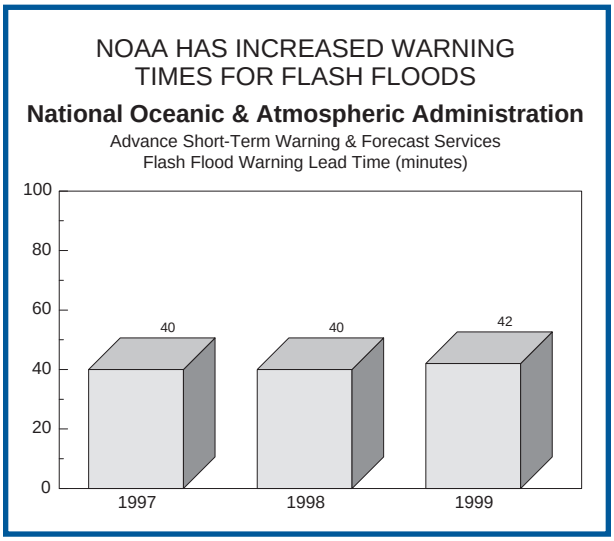
[7] See pages 48-50 for detailed performance measures.

[8] See pages 51-53 for detailed performance measures.

Performance Measures:

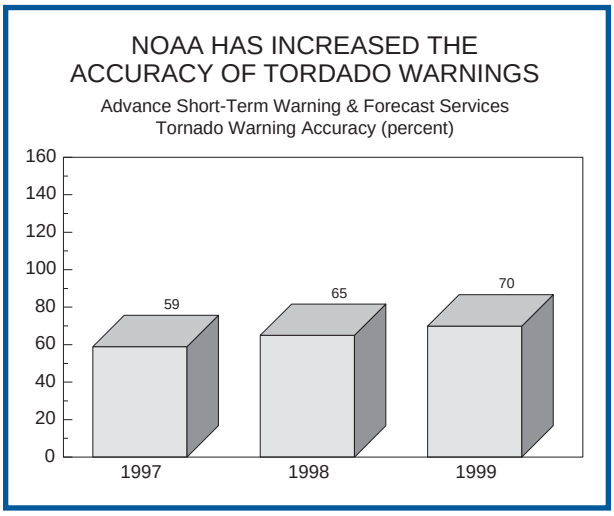
Performance measures for FY 1999 include:

■ Increasing flash flood lead time to 42 minutes, and attaining 85% accuracy. (See illustration)



■ Increasing severe thunderstorm warning time to 19 minutes, with 84% accuracy.

■ Increasing tornado warning lead time to 11 minutes, with 70% accuracy. (See illustration)



For FY 1999, NOAA requests an increase of $44.2 million for further modernization of the National Weather Service, including the deployment of additional stages of large systems and the maintenance of existing facilities, purchasing and installation of equipment, and providing necessary training to NOAA staff.

CHAPTER 2
SCIENCE, TECHNOLOGY, AND INFORMATION

Keep America competitive with cutting-edge science and technology and an unrivaled information base.

INTRODUCTION

Technology, science, and information are the engines that drive our economy. Economists estimate that technological progress has accounted for as much as one-half of economic growth in the United States over the last 50 years. And as the 21st century approaches, America's competitiveness will depend even more on our capacity for innovation. Commerce scientists are leaders in innovation. This year, for example, Dr. William Phillips, a scientist at the NIST laboratories, shared the Nobel Prize in Physics.

At the industry level, our research-intensive industries -- including aerospace, chemicals, communications, computers, pharmaceuticals, scientific instruments, semiconductors, and software -- have been growing at about twice the rate of the economy as a whole over the past two decades. At the firm level, Commerce Department analysis shows that firms that adopt advanced technologies grow faster, export more, have higher profits, pay higher wages and, importantly, hire more people than firms that do not. Underpinning our progress is a wealth of technical, scientific, and business information which provides critical information supporting informed, timely, and accurate decisions that provide a competitive edge.

Specifically, Commerce is committed to:

- Maintaining cutting-edge science and technology and an unrivaled information base;

- Promoting the application of cutting-edge science and technology by American businesses in their daily operations; and

- Leveraging and effectively managing information technology.

The Department of Commerce works to accomplish these objectives in a variety of ways. The Department:

- Collects and disseminates vital information that is used to stimulate and protect American innovation and ingenuity;

- Assures the basis for the U.S. measurement and standards in commerce and industry;

- Provides advance warning and information systems that save lives and property and increase society's ability to mitigate economic losses and social disruption;

- Preserves scientific and technical information from Federal research investments and makes the information readily available for public use;

- Promotes the protection of intellectual property and the extension of intellectual property rights;

- Improves climate predictions so resource managers in climate sensitive sectors such as agriculture, water, energy, and health management may improve their strategies and increase the probability that they will have sustainable and efficient operations;

- Provides science-based options for decisions which impact the potential for global change (such as identifying “ozone-friendly” refrigerants); and

- Promotes the development of an advanced telecommunications structure, thereby enabling American firms to compete more effectively in both the domestic and international market place.

KEY GOALS AND OBJECTIVES

This chapter outlines how we intend to pursue our key goals and objectives for **Science, Technology, and Information** in FY 1999. The detailed information to support this chapter is contained in Chapter 4-B, which provides comprehensive lists of goals, objectives, and quantitative performance measures corresponding to this second Strategic Theme. Chapter 4-B sets out the specific measures the Department is utilizing to track and quantify its performance in areas that include: working with industry to improve the development and application of key technologies and technical information; improving climate forecasting; making patent and trademark information more accessible; aiding the development and dissemination of communications information and services; and making key economic statistics more readily available.

The programs and measurements described in Chapter 2 and in the tables in Chapter 4-B tie directly to the major Secretarial Initiatives summarized in the Introduction. Those cross-cutting Initiatives provide the overarching policy framework to guide the Department in FY 1999.

1.0 CUTTING-EDGE SCIENCE AND TECHNOLOGY[1]

Mission:

The Department's programs (including the NIST Measurement and Standards Laboratories, MEP, and ATP) perform world class measurement research, render technical assistance to the small and medium-sized industry sectors, and leverage resources for technological innovation.

Objectives:

The key objectives to foster cutting-edge science and technology are:

- Anticipating and addressing the Nation's most important needs for physical and information-based measurements and standards;

- Introducing state-of-the-art business practices and technologies to a wide array of small- and medium-sized manufacturers in the United States.

MEP Centers run by NIST provide technological assistance to small and medium-sized manufacturers.

Manufacturing Extension Partnership Centers

[1] See pages 55-57 for detailed performance measures.

■ Encouraging the development and rapid diffusion of high risk, enabling technologies that generate broad-based economic benefits through innovative products, services, and industrial processes.

The *National Institute of Standards and Technology* (NIST) follows a strategy of working with industry to develop and apply technology, measurements, and standards. NIST administers MEP, which provides technological information and expertise to its clients among the Nation's 382,000 smaller manufacturers.

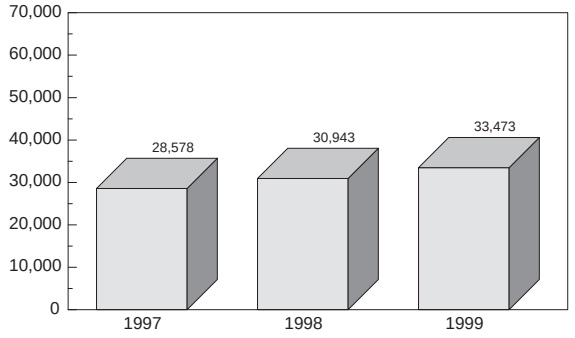
A map showing MEP centers is provided on the previous page.

MEP CENTERS ARE HELPING TO INCREASE ACTIVITY OF SMALL/MEDIUM-SIZED MANFACTURERS

National Institute of Standards and Technology

Manufacturing Extension Partnership

Activities completed by MEP centers with small/medium-sized manufacturers



Performance Measures:

Key performance measures we will use in FY 1999 are:

■ NIST will sell 38,142 units of standard reference materials, and its labs will perform 8,900 calibrations and tests.

■ NIST will accredit 900 laboratories across the Nation.

■ MEP will improve its coverage of small business by supporting 33,473 completed provider activities.

For FY 1999, the MEP will increase its coverage of small business even though NIST is requesting less funding for the program in 1999. The lower funding request reflects the decrease in the federal share of funding, from 50 to 33 percent, as the MEP centers mature. To lower its costs and extend its coverage, MEP will concentrate on integrating the centers by implementing best practices in service delivery.

All science and technology agencies recognize the difficulty of measuring the performance and long term impact of research programs. In response to this challenge, NIST uses three types of data to assess its Measurement and Standards Laboratories: 1) output metrics, such as the number of standard reference materials sold and calibrations and tests performed; 2) peer review of each labs' technical quality, which is provided annually by the National Research Council; and 3) microeconomic impact studies that assess the longterm impacts of specific research projects.

2.0 COLLECTING AND DISSEMINATING ENVIRONMENTAL INFORMATION[2]

Mission:

Every major sector of the American economy -- and the daily lives of American families -- depends on environmental information. A key strategy of the Commerce Department is to respond to that need by building upon our strengths in climate research, and to address the societal questions that the U.S. and the world face in air quality, multi-season climate phenomenon, ozone depletion, and climate change. We seek to provide both the science needed for policy decisions and the information on emerging scientific issues that have policy relevance.

Objectives:

Key objectives to collect and disseminate environmental information are:

■ Characterizing the agents and processes that force decadal to centennial climate change;

■ Examining the role of the ocean as a reservoir of both heat and carbon dioxide to address a major source of uncertainty in climate models;

[2] See pages 58-59 for detailed performance measures.

■ Ensuring a long-term climate record by enhancing domestic and international weather networks, observing procedures, and information management systems;

■ Guiding the rehabilitation of the ozone layer by providing the scientific basis for policy choices associated with ozone-depleting compounds;

■ Providing the scientific basis for better air quality by improving the understanding of high surface ozone episodes to rural areas and by establishing a monitoring network to detect cleaner air quality; and

■ Developing models for the prediction of long-term climate change, carrying out scientific assessments, and providing information about human impacts.

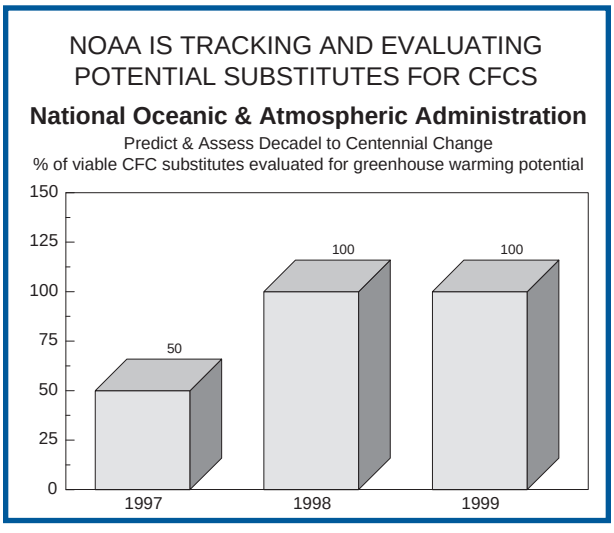
Performance Measures:

Key performance measures we will use in FY 1999 are:

■ NOAA will attain a .81 accuracy correlation for its ENSO (El Niño Southern Oscillation) forecasts, with a half-year lead time.

■ NOAA will have made 75% of its TOGA (Trans Ocean Global Atmosphere) observing systems operational.

■ NOAA will complete evaluation of 100% of commercially viable chlorofluorocarbons (CFC) substitutes. (See illustration)



3.0 PROTECTING INTELLECTUAL PROPERTY[3]

Mission:

Intellectual property protection is an example of a Commerce responsibility that cuts across all three Strategic Themes. Intellectual property:

■ Is essential to the Nation's economic infrastructure (Theme 1);

■ Focuses on science, technology, and information (Theme 2); and

■ Is a resource over which we have management responsibility (Theme 3).

Promoting awareness of, and providing effective access to, patent and trademark information have been long-standing responsibilities of PTO and the Department of Commerce. To ensure intellectual property's protection, the Department is pursuing a strategy of leveraging information technology and to make patent and trademark information available to the public.

Objectives:

Key objectives to protect intellectual property are:

■ Developing the highest quality information products and services which deliver information when, where, and in the format needed;

■ Consistently achieving customer satisfaction by understanding and supporting customer needs; and

■ Promoting the use and accessibility of intellectual property information.

Performance Measures:

Key performance measures we will use in FY 1999 are:

■ PTO will increase the percentage of top 100 Metropolitan areas served by Patent and Trademark Depository Libraries from 55% in FY 1998 to 58% in FY 1999.

■ PTO will achieve 90% customer satisfaction with key products and services.

[3] See page 60 for detailed performance measures.

For FY 1999, PTO requests an additional $60 million to address increasing workload demands for patent applications, $3.6 million for trademark workload demands, $7.1 million for information dissemination activities, and $2.2 million for policy leadership.

4.0 PROMOTING AN ADVANCED TELECOMMUNICATIONS STRUCTURE[4]

Mission:

A key Commerce goal is to support development of a National Information Infrastructure. Our specific strategies for pursuing this complex mission, which increases in national importance as the Information Age continues to unfold, include several elements:

- Managing international telecommunications policy;

- Supporting the emerging needs of State and local government and public sector entities; and

- Ensuring efficient use of the Federal portion of the radio frequency spectrum.

Objectives:

A key objective to promote our advanced telecommunications strategy is:

- Improving the international competitiveness of the U.S. telecommunications industry and the ability of U.S. businesses and consumers to have access to high quality, reasonably-priced international services.

The Department is also engaged in technical research to improve telecommunications system planning, design, and evaluation and will provide support to government and industry efforts in these areas. Specific objectives here include:

- Ensuring that all government needs for vital telecommunications services can be satisfied nationally and internationally; and

- Ensuring that the educational and cultural benefits of public broadcasting are available to as many people as practicable; educational entities are able to use a variety of telecommunications technologies to improve the effectiveness of distance learning; minorities and women have increased access to and control of public telecommunications; and blind and hearing-impaired persons are able to participate more fully in society through the use of telecommunications.

Performance Measures:

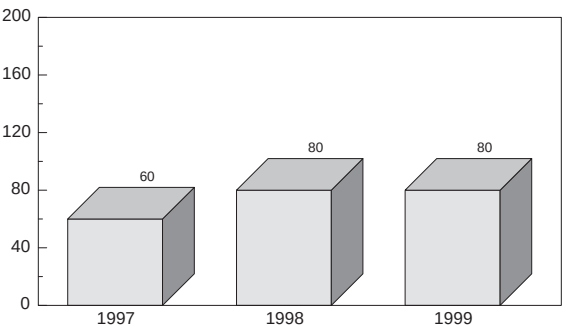
Key performance measures we will use in FY 1999 are:

- NTIA will conduct 74 Problem Resolution Sessions to improve the use and coordination of the radio frequency spectrum.

- NTIA will conduct 80 engineering reviews for future radio communication systems.

(See illustration)

NTIA WILL EXPAND ITS REVIEWS OF PUBLIC SECTOR TELECOMMUNICATIONS SYSTEMS



For FY 1999, NTIA requests an additional $0.5 million, including fees, to conduct an examination of adjacent band and man-made spectrum interference.

5.0 COLLECTING AND DISSEMINATING ECONOMIC AND DEMOGRAPHIC DATA[5]

Mission:

The Department will provide GDP and related national, regional, and international economic and

[4] See pages 61-62 for detailed performance measures.

demographic statistics in the most accurate, timely, cost-effective, and easily accessible way possible. ESA, through Census and BEA, collects, tabulates, and distributes a wide variety of statistical information about Americans and the economy, including the constitutionally-mandated Decennial Census. It also prepares and interprets the GDP, wealth accounts, and the U.S. balance of payments.

ESA is re-engineering its computer systems to reduce respondent burden and improve the accuracy, reliability, timeliness, and accessibility of data for its customers. Its strategy in conducting this work is to identify areas of the economy that require more effective and efficient measurement and to constantly review and update these processes.

Objectives:

Key objectives to improve the collection and dissemination of economic and demographic data are:

■ Reducing respondent burden and increasing accuracy and timeliness through electronic filing of BEA's surveys of direct investment and international services;

■ Increasing accuracy, reliability, and timeliness through standardized data transfer and on-line interactive editing and processing systems for source data; and

■ Increasing the timeliness and accessibility of data products to a wide range of customers through the Internet and other electronic gateways.

Performance Measures:

Key performance measures we will use in FY 1999 are:

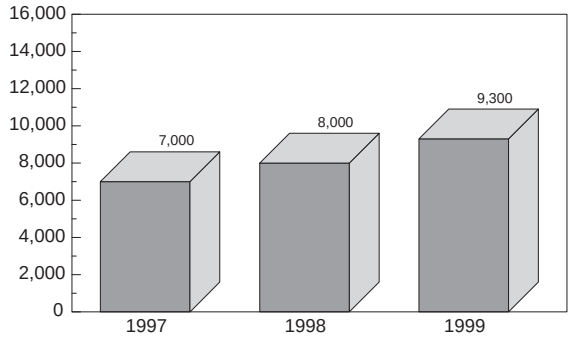
■ ESA will produce 50 analyses on near-term prospects and composition of economic activity in the U.S.

■ ESA will expand e-mail system capacities to provide improved customer service, increase the number of files available for electronic dissemination, and increase the number of user support sessions held. (See illustration)

ESA IS HELPING MORE CUSTOMERS RECEIVE INFORMATION

Economic and Statistical Analysis

Economic Data Dissemination
Number of Internet Subscriptions



■ ESA will ensure the timely dissemination of economic data through 50 news releases on GDP, profits, the balance of payments, international trade, State personal income, and other key economic indicators. These releases, analyses of the data, methodologies, and other useful economic information will be available in a wide range of easy-to-access formats including BEA's monthly Survey of Current Business, CD-ROMS, and on the Internet.

For FY 1999, ESA requests an additional $4.5 million for developing new systems for keeping pace with a rapidly changing national and world economy.

Mission:

In 2000, the Census Bureau will conduct the most accurate and fiscally responsible Decennial Census possible.

Performance Measures:

Performance measures we will use in FY 1999 are:

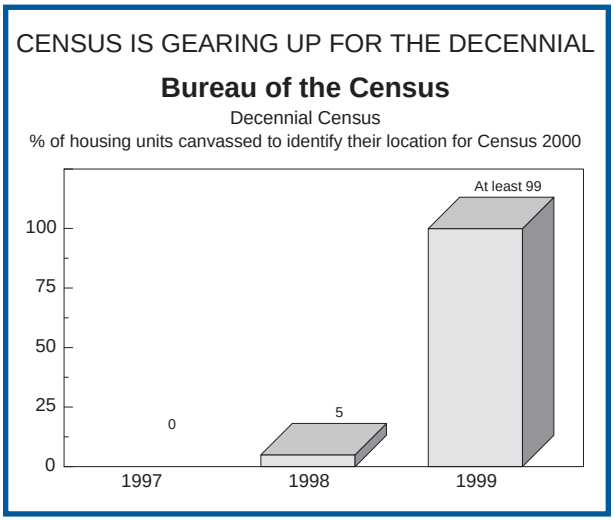
■ In preparation for the 2000 Decennial Census, the Census Bureau will canvass 100 million addresses. (See illustration)

■ The Census Bureau will print over 118 million census forms.

■ The Census Bureau will conduct a thorough evaluation of the 1998 Dress Rehearsal for a report to

[5] See pages 63-65 for detailed performance measures.

Congress in advance of a decision in February 1999 on Census 2000 methods.



For FY 1999, the Census Bureau requests an increase of $466.4 million for the Decennial Census, which will provide for the development of address lists, hardware and software acquisition, and necessary field infrastructure.

6.0 EXPANDING OPPORTUNITIES THROUGH EXPORTS[6]

Mission:

Through BXA, the Department is restructuring export controls for the twenty-first century and facilitating transition of defense industries to a commercial focus. Under the technology-oriented Theme 2, our strategy is to work with other Federal agencies, the law enforcement community, and the private sector to ensure our Nation's technological exports are consistent with foreign policy and counter-terrorism goals.

Objectives:

Key objectives to expand opportunities through export licensing are:

■ Ensuring that the automated export control system assists exporters and provides necessary information to ensure compliance with the U.S. export control regulations;

■ Implementing the Nation's encryption export policy;

■ Overseeing domestic implementation of the Chemical Weapons Convention (CWC) by the business community; and

■ Promoting U.S. economic security, technological competitiveness, and defense diversification.

Performance Measures:

A key performance measure we will use in FY 1999 is:

■ BXA will conduct 40 CWC inspections and develop 140 CWC facility agreements.

For FY 1999, BXA requests an increase of $5.2 million for administering responsibilities under new legislation.

7.0 PROVIDING ASSISTANCE TO ECONOMICALLY DISTRESSED AREAS[7]

Mission:

EDA seeks to help communities alleviate conditions of substantial and persistent unemployment in economically-distressed areas of the Nation through technology-based solutions. EDA's strategy focuses on emphasizing the roles of technology as an economic development tool.

Objectives:

Key objectives to providing assistance in economically distressed areas are:

■ Helping distressed communities build infrastructure necessary for technology-based economic development, including business incubators, industrial technology research centers and laboratories, technical skills training centers, and entrepreneurial development centers; and

■ Providing technical assistance to communities to develop the networks and linkages necessary for technology-based economic development, includ-

6 See pages 66-67 for detailed performance measures.

7 See page 68 for detailed performance measures.

ing the creation of electronic networks and trade and commerce organizations.

Performance Measures:

The key performance measure we will use in FY 1999 is:

- EDA will attain an 8.5 (out of 10) evaluation outcome on the extent of community participation for several planning programs, including strategies to attract technological resources.

For FY 1999, EDA requests an additional $28.3 million for its Economic Development Assistance Programs, part of which may be used locally to attract technological investment.

CHAPTER 3
STEWARDSHIP OF RESOURCES AND ASSETS

Provide effective management and stewardship of our nation's resources and assets to ensure sustainable economic opportunities.

INTRODUCTION

The Department of Commerce promotes job creation, economic growth, sustainable development, and improved living standards for all Americans by working in partnership with business, universities, communities, and workers.

Quality of life depends on opportunities for employment and for enjoying a healthy environment. A healthy environment provides the natural resources for sustainable development for current and future generations.

The Department of Commerce has a diverse role in the management of our national resources. This involvement includes:

- Providing economic assistance to communities impacted by military base closures and defense industry downsizing;
- Managing intellectual property rights;
- Protecting and managing ocean and coastal resources; and
- Managing the Federal portion of the radio frequency spectrum.

The optimal use and allocation of these resources requires the creation and development of property rights to ensure they can be made available where their economic worth is valued most highly, otherwise, users may have too great an incentive, relative to the economic optimum, to consume the resource. This is an inefficient use of these resources, and a loss to our Nation and the global economy. Here, the Department of Commerce plays a pivotal stewardship role.

KEY GOALS AND OBJECTIVES

This chapter outlines how we intend to pursue our key goals and objectives for the **Stewardship of Resources and Assets** in FY 1999. The detailed material to support this chapter is contained in Chapter 4-C, which provides comprehensive lists of goals, objectives, and quantitative performance measures corresponding to this third Strategic Theme. Chapter 4-C sets out the specific measures the Department is utilizing to track and quantify its performance in areas that include: building and managing sustainable fisheries and other marine resources; improving services for holders of patent and trademark protections; promoting an advanced telecommunications and information infrastructure for the benefit of all Americans; and helping communities recover from defense downsizing and natural disasters.

The programs and measurements described in Chapter 3 and in the tables in Chapter 4-C tie directly to the major Secretarial Initiatives summarized in the Introduction. Those cross-cutting Initiatives provide the overarching policy framework to guide the Department in FY 1999.

1.0 PROTECT OCEAN AND COASTAL RESOURCES[1]

Mission:

Through the Department of Commerce, NOAA plays an important role in ensuring sustainable management of coastal and ocean resources. One

[1] See pages 69-71 for detailed performance measures.

area in which the Department has strong involvement is with fishery resources. Our strategy is to build sustainable fisheries that increase the Nation's wealth and quality of life, support increased fishing industry job opportunities, improve the safety and wholesomeness of seafood resources, and expand recreation opportunities.

Objectives:

Key objectives for protecting ocean and coastal resources are:

■ Assessing the status of fishery resources, to improve the scientific basis for policy decisions, including the elimination of overfishing, the rebuilding of overfished stocks, the conservation of fish habitat, and the minimization of bycatch-related mortality; advancing fishery predictions through research and applications;

■ Managing for economic growth and sustainable fisheries by working with Fishery Management Councils, foreign nations and others to plan for reducing excessive fishing and capital investment; providing research and services for fishery-dependent industries to maximize the potential benefits from the Nation's marine resources; and

■ Ensuring adequate compliance with fishery regulations.

Performance Measures:

Key performance measures we will use in FY 1999 are:

■ NOAA will assess 79% of identified fish stocks (out of 231 identified), and 27 (out of 39) Fishery Management Plans will have access controls implemented.

■ NOAA will increase by $35 million investments to manage marine fisheries.

■ NMFS will develop 25 cumulative recovery plans for depleted marine mammals and endangered and threatened species and see 15 species with status improved.

■ 43,000 acres of coastal habitats will be protected or restored. (See illustration)

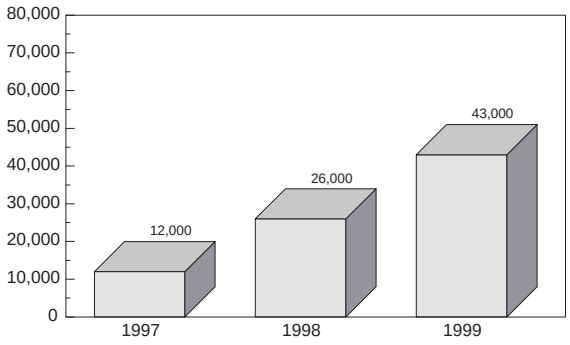
For FY 1999, NOAA requests an additional $19.4 million for fishery management activities and $12.6 million for Coastal Zone Management grants.

NOAA IS PRESERVING COASTAL AREAS FOR FUTURE GENERATIONS

National Oceanic & Atmospheric Administration

Sustain Healthy Coasts

Number of acres restored



2.0 MANAGING INTELLECTUAL PROPERTY RIGHTS[2]

Mission:

Under Theme 3, PTO views intellectual property as a resource to be managed, and its strategy for doing so is to grant exclusive rights, for limited times, to inventors for their discoveries, and to enhance trademark protection.

Objectives:

Key objectives for managing intellectual property are:

■ Maximizing the business contribution of patents by reducing cycle time for inventions, reengineering business processes, achieving electronic processing of patent applications, assessing fees commensurate with resource utilization and customer efficiency, and exceeding customer expectations through the competencies and empowerment of employees; and

■ Maximizing the business contribution of trademarks by reducing pendency time, implementing reengineered processes, and transforming trademark processing into a fully electronic operation.

[2] See page 72 for detailed performance measures.

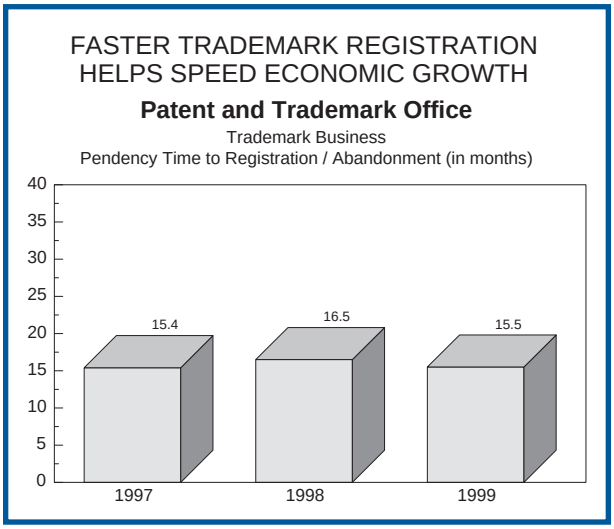
Performance Measures:

Key performance measures we will use in FY 1999 are:

■ PTO will grant 145,000 patents, and reduce the average cycle time for all inventions to an average of 13.8 months.

■ PTO will register some 137,500 trademarks and reduce the pendency time to an average of 15.5 months.

■ PTO will have a pendency to first action on trademarks of 3.9 months.



For FY 1999, PTO requests $60 million to address increasing workload demands for patent applications, $3.6 million for trademark workload demands, $7.1 million for information dissemination activities, and $2.2 million for policy leadership.

3.0 SUPPORT THE DEVELOPMENT OF INFORMATION TECHNOLOGY[3]

Mission:

The Department supports the development of the information infrastructure through Information Infrastructure Grants and the promotion of electronic commerce initiatives. Under this Theme, NTIA views the telecommunications infrastructure, and the Federal portion of the radio frequency spectrum, as resources for which we have management responsibilities. As a result, NTIA follows a strategy of promoting the development of an advanced telecommunications and information infrastructure to efficiently serve the needs of all Americans.

Objectives:

The key objectives for supporting the development of information technology are:

■ Supporting the development of a National Information Infrastructure that will be accessible to all Americans; and

■ Promoting national policies to increase competition and efficient investment in telecommunications and information industries, enhance consumer welfare and economic and social opportunities for all, and remove impediments to the growth and vitality of these sectors.

Performance Measures:

The major performance measure we will use in FY 1999 is:

■ NTIA will make 86,000 spectrum assignments to Federal agencies, to satisfy their mission needs for spectrum use.

For FY 1999, NTIA requests a $2 million increase in fees and appropriations for spectrum management, to provide leadership and coordination for Federal, State, and local public safety agencies in establishing a national telecommunications strategy for public safety.

4.0 ECONOMIC ASSISTANCE TO DISTRESSED COMMUNITIES[4]

Mission:

A primary function of EDA under this Theme is to enable distressed communities affected by defense downsizings and natural disasters to recover from those events. EDA also seeks to support community efforts to implement sustainable economic development. EDA's strategy in doing this is to provide technical assistance, planning help, and grant funding, to enable communities to recover.

[3] See pages 73-74 for detailed performance measures.

EDA is helping to revitalize communities where military bases have closed.

One Grant in Guam

Economic Development Administration

Economic Adjustment Military Base-Reuse Grants FY 92 - Sept. 1997

Objectives:

Key objectives to assist distressed communities are:

■ Helping communities design and implement strategies for adjusting to base closures or natural disasters that are causing, or threaten to cause, serious structural damage to the underlying economic base; and

■ Helping communities replace, transform or expand infrastructure facilities of military installations to retain or create substantial employment potential.

A map showing EDA's grants that support community efforts to recover from military base closings is provided above.

Performance Measures:

The performance measures we will use in FY 1999 are:

■ EDA will attain an 8.7 (out of 10) evaluation score outcome for planning grants in several programs, including long-term economic recovery from natural disasters and defense adjustments.

■ EDA projects that private investment in the amount of $1.0 billion will be leveraged from EDA investments in programs including defense adjustment and long-term economic recovery from natural disaster.

4 See pages 75-76 for detailed performance measures.

CHAPTER 4
GOALS, OBJECTIVES, AND PERFORMANCE MEASURES

4-A. Economic Infrastructure

4-B. Science, Technology, and Information

4-C. Stewardship of Resources and Assets

CHAPTER 4-A
ECONOMIC INFRASTRUCTURE
(PERFORMANCE MEASURES)

Chapter 4-A sets forth goals, objectives, and performance measures for program activities described in Chapter 1 and links them to our budget request.

Chapter 4-A of the Annual Performance Plan contains goals, objectives, and quantitative performance measures pertaining to economic infrastructure.

The performance measures are numbered to correspond to the goals and objectives discussed in Chapter 1.

1.0 EXPORT GROWTH

1.1 Implement the President's National Export Strategy in conjunction with the Trade Promotion Coordinating Committee.

ITA's FY 1999 budget request is $286.5 million, with 2,329 FTE.

1.1.1 Strengthen trade advocacy, trade promotion, and the Trade Promotion Coordinating Committee. (ITA)

	FY 97	FY 98	FY 99
Projects (#)	590	650	700
Value of exports ($B)	111	135	145
Satisfied customers (%)	-	-	-
Projects successfully completed (%)	11	12	14
Gross exports supported ($B)	7	10	12
Gross jobs supported (#)[1]	-	-	-

Note: For some measures, quantitative means are not fully appropriate or may not be available at this time. In these instances, we explain the approach we are using to assess progress in footnotes. The use of shading throughout Chapters 4A-4C indicates that measurement areas will receive priority attention in FY 1999.

[1] ITA's efforts to quantify "additionality" (i.e. value added from its trade programs) and the related performance measures listed above ("Dollar value of gross exports supported" and "Number of gross jobs supported") although focused, remain a work in progress.

1.1.2 Increase trade assistance targeted to small and medium-sized businesses. (ITA)

Counseling sessions (#)	534,903	363,762	378,279
Clients (#)	335,883	180,996	193,035
Satisfied customers from counseling (%)	95	95	95
Matching services (#)	1,384	1,410	1,410
Custom agency reports (#)	14,938	17,372	17,648
Satisfied customers (%)[2]	-	-	-
Reports distributed (#)	502,425	524,242	542,619
Trade events (#)	473	440	465
Firms attending (#)	11,982	10,290	10,825
Satisfied customers from events (%)[2]	-	-	-
New-to-export firms (#)	10,021	10,541	10,649
New-to-market firms (#)	33,957	35,339	36,806
Gross exports supported ($)[3]	-	-	-
Gross jobs supported (#)[3]	-	-	-
Firms that actually export (%)	30	32	32

[2] ITA is examining several survey methodologies aimed at accurately measuring customer satisfaction.

1.2 Enforce U.S. trade laws and agreements to promote free and fair trade.

1.2.1 Expand trade law enforcement efforts. (ITA)

	FY 97	FY 98	FY 99
Applications reviewed (#)	84	100	115
Applications processed (#)	122	122	122
Entries monitored (#)	4,600	4,800	5,000
Petitioners counseled (#)	54	54	54
Investigations conducted (#)	11	11	11
AD/CVD orders Issued to the U.S. Customs Service (#)	7	7	7
Requests processed (#)	225	225	225
Reviews conducted (#)	147	147	147
AD/CVD sunset reviews conducted (#)	-	65	130
Gross exports ($B)	17	20	22
Gross jobs supported (#)	370,000	380,000	400,000
Duty-free scientific equipment imported/made available to U.S. non-profit educational/research institutions ($M)	34	34	34
Duty-free articles imported to improve quality of life for disabled ($K)	230	235	240

1.2.2 Expand compliance monitoring efforts. (ITA)

Number of agreements entered into database	220	100	10

1.3 Strengthen and institutionalize trade advocacy efforts, placing special emphasis on the "Big Emerging Markets" (BEMs) and major projects.

1.3.1 Continue emphasis on trade with the BEMs without losing focus on mature markets. (ITA)

	FY 97	FY 98	FY 99
Agreements (#)	6	6	6
Satisfied customers (%)	100	100	100
Contribution from cooperators (%)	72	67	67
Gross exports supported ($)[4]	-	-	-
Gross jobs supported (#)[4]	-	-	-

1.4 Restructure export controls for the twenty-first century.

BXA's FY 1999 budget request is $52.2 million, with 433 FTE.

1.4.1 Streamline and reform U.S. export controls. (BXA)

	FY 97	FY 98	FY 99
Licensing decisions (#)	10,554	10,100	10,100
Commodity classifications completed(#)	3,359	4,200	4,200
Applications process within statutory time frames (%)	99.8	98	98
High risk transactions denied (#)	317	303	303
Low risk transactions facilitated (#)	8,715	8,500	8,700
Average processing times for license application (days)	35	34	33
Average processing times for commodity classifications (days)	25	22	20
Commodity classifications processed within regulatory time frames (%)	25	35	50

1.4.2 Promote export control cooperation with the independent states (NIS) of the former Soviet Union (FSU), the Baltics, Central Europe, and other countries in order to facilitate legitimate trade in high-tech goods and technology, and to help stop the proliferation of specific items to rogue states and terrorists. (BXA)

International cooperative exchanges (#)	36	40	42
Establishment of effective NIS control system elements	-	-	30

1.4.3 Implement the Nation's encryption export policy. (BXA)

Encryption commitment plan and progress report reviews (#)	37	41	100
Encryption key recovery agent reviews (#)	9	50	100

1.4.4 Oversee domestic implementation of the Chemical Weapons Convention. (BXA)[3]

CWC inspections (#)	-	-	40
CWC facility agreements (#)	-	-	140
Data declarations processed (#)	-	-	2,000

[3] The CWC is a new activity for BXA.

1.5 Maintain a fully effective law enforcement program and protect U.S. national security, foreign policy, nonproliferation of dual-use commodities, counter-terrorism, nonproliferation of chemical weapons, and public safety interests.

1.5.1 Investigate criminal and administrative violations of the specific statutes and regulations, and impose civil sanctions for those violations. (BXA)

	FY 97	FY 98	FY 99
Completed enforcement investigations (#)	998	1,100	1,350
Investigations accepted for criminal or administrative remedies (#)	60	66	73

1.5.2 Develop and implement measures to prevent export control law violations, including reviews of unlicensed shipments as well as conducting pre-license checks and post-shipment verifications concerning licensed transactions. (BXA)

Pre-license checks completed (#)	379	400	500
Post shipment verifications completed (#)	301	325	375

1.5.3 Conduct export enforcement outreach with the U.S. export community, and expand outreach and education programs to train U.S. exporters how to identify and avoid illegal transactions. (BXA)

Enforcement seminars (#)	4	6	8
Anti-boycott help phone calls (#)	1,226	1,300	1,300
Firms assisted through enforcement outreach (#)	-	-	800

1.6 Facilitate transition of defense industries.

1.6.1 Promote U.S. economic security, technological competitiveness, and defense diversification. (BXA)

	FY 97	FY 98	FY 99
Defense industry advocacy assistance requests (#)	-	-	130
Strategic industry analyses (#)	716	485	485
Value of facilitated exports ($B)	2.3	5.0	5.0

2.0 IMPROVED ECONOMIC STATISTICS

2.1 Strengthen the public's understanding of the U.S. economy and its competitive position by improving Gross Domestic Product and other national, regional, and international economic accounts data.

ESA's FY 1999 budget request is $53.7 million, with 570 FTE. Census' FY 1999 is $1.19 billion, with 16,510 FTE.

2.1.1 Develop new and improved measures of real GDP and prices. (ESA)

2.1.2 Provide updated measures of the Nation's investment, savings, and wealth. (ESA)[4]

	FY 97	FY 98	FY 99
Develop new methods and source data	Extended BEA's new chain weighted measures of output and prices to all 5 major accounts, including estimates of Gross State Product, National wealth, GDP by Industry, and International Investment	Begin revising and updating estimation methods for components contributing to the $100 billion statistical discrepancy between the product and income estimates of GDP	Develop updated source data and associated estimating methods for the 10 major product-side components and the 4 major income-side components accounting for the bulk of the statistical discrepancy
Extend quality adjustments and improve measurement of hard-to-measure goods and services	Extended quality adjustments to another key high - tech product, telephone switching equipment	Extend quality adjustments to additional high - tech products, such as cellular phones and prepackaged software	Develop new concepts and methods for measuring hard-to-measure goods and services, such as custom computer software and financial services
Developed improved measures of capital stock	Developed updated depreciation and valuation methods that raised the estimate of the Nation's productive capital stock by 22 percent	Initiate research on developing regional capital stock estimates for all 50 states	Develop estimates of the Nation's capital stock and investment in computer software. Such estimates will address much needed modernization in BEA's estimates used in analyzing productivity and the Nation's growth potential
News releases of BEA data (#)	49	50	50

[4] Objective 2.1.1 and 2.1.2 have the same performance measures.

2.1.3 Provide improved measures of U.S. international trade and finance. (ESA)

Development of new measures of international transactions	Incorporated first benchmark data on U.S. portfolio investment abroad in 50 years into balance of payments accounts; the updated sample and increased coverage resulted in raising the estimate of U.S. investment abroad by $333 billion	Publish results of benchmark survey on trade in 5 of the most important types of "affiliated" services	Extend annual selected services surveys to collect key data quarterly on large and rapidly growing types of international trade, such as insurance, finance, transportation, computer and information services and communication services.

2.2 Improve national and local census and survey data through better business practices and public cooperation.

2.2.1 Develop efficient and innovative business practices to improve cost, timeliness, and the quality performance of Census data. (ESA)

	FY 97	FY 98	FY 99
Complete DCS2000 (Data Capture Systems) (#)	-	-	4
Operational processing centers (Decennial Census)(#)	-	-	4
Operational Regional census centers	-	12	12
Final 1998 Dress Rehearsal results released (#)	-	-	3
1998 Dress Rehearsal redistricting products released	-	-	3

2.2.2 Increase the level of public cooperation by simplifying public response, building partnerships, and implementing a customer focused marketing plan. (ESA)

Response rate for cross sectional surveys (%)	93	91-95	91-95
Data releases describing economic status of all US households (#)	16	16	16
City style addresses canvassed (%)	-	-	100
Non-city style addresses canvassed (%)	-	25	100
Planned field partnerships established (%)	3	42	89
Census forms printed (%)	-	-	100
Response rate for American Community Survey (%)	98	95-98	95-98
Program participation for American Community Survey (# of sites)	8	9	37

3.0 JOB CREATION AND ECONOMIC HEALTH OF OUR COMMUNITIES

3.1 Establish, retain, or expand commercial, industrial, and high-technology enterprises to stimulate the creation of private sector jobs for unemployed and underemployed residents of economically distressed areas.

EDA's FY 1999 budget request is $398.0 million, with 285 FTE.

3.1.1 Build, rebuild, and expand vital public infrastructure facilities that offer substantial employment potential and improve the capacity for economic growth in distressed areas. (EDA)

	FY 97	FY 98	FY 99
Public Works-Jobs created and/or retained (# direct, nonproject, indirect)	50,400	54,000	49,000

3.1.2 Overcome specific capital market gaps and encourage greater private sector participation in economic development activities by establishing or expanding revolving loan funds in economically distressed areas. (EDA)

Eco. Adjustment Revolving Fund Federal, State, local non-EDA dollars invested ($M)		12 private 1.5 other	31.5 private 4.0 other

3.2 Help distressed communities adversely affected by defense-related downsizing, natural disasters or economic dislocation and build their capacity to stimulate, maintain, or expand economic growth.

3.2.1 Promote comprehensive, inclusive economic planning in distressed communities to identify economic problems, assess the availability of local and non-local resources, and formulate and implement realistic development strategies. (EDA)

Planning and Economic Adjustment strategies-Increased community participation (Grantee self evaluation out of 10)		8.5	8.5

3.2.2 Provide technical assistance to communities to solve specific economic development problems, respond to development opportunities, and build and expand local organizational capacity in distressed areas. (EDA)

Technical assistance-Quality of evaluation or feasibility study (Grantee self-evaluation out of 10)		9.1	9.1

3.3 Provide new knowledge, analyses and technical information which serve both to assess economic development problems and to mobilize non-federal resources for their solutions at the local level.

3.3.1 Study and research emerging and anticipated economic development problems. (EDA)

	FY 97	FY 98	FY99
Research and evaluation	-	Research results disseminated thru conferences, publications, & Internet to practitioners	Research results disseminated thru conferences, publications, & the Internet to practitioners

3.3.2 Provide technical assistance to local governments, community-based organizations and small businesses on economic development-related issues through colleges and universities.[5] (EDA)

3.3.3 Aid firms and industries injured by import competition by providing technical assistance in diagnosing problems and assessing opportunities through business assistance centers. (EDA)

Trade adjustment assistance-Sales and employment (jobs created/retained for all firms completing programs) (% increase)	-	Sales (+20%) Jobs (+10%)	Sales (+20%) Jobs (+10%)

[5] Measures are being developed under a national research grant.

4.0 SUPPORT FOR MINORITY BUSINESS

4.1 Improve opportunities for minority-owned businesses to have access to the marketplace.

MBDA's FY 1999 budget request is $28.1 million with 120 FTE.

4.1.1 Match procurement opportunities with minority business enterprise capability electronically. (MBDA)

	FY 97	FY 98	FY 99
Matched (#)	-	500	1000
Dollars matched ($M)	-	10	20

4.1.2 Bring together Federal, State, local and private sector resources for minority business enterprises. (MBDA)

MOUs signed (#)	117	140	200
Business assisted (#)	1,000	1,500	1,750
Value of assistance ($M)	30	45	53

4.1.3 Provide management and technical assistance to minority business enterprises. (MBDA)

Business assisted (#)	7,518	7,819	8,053
M&TA hours approved	126,294	131,346	135,286
Contracts approved (#)	825	858	884
Value of contracts approved ($M)	221	220	226

4.1.4 Establish business resource centers through joint ventures to assist minority business enterprises. (MBDA)

New business served (#)	-	-	400

4.1.5 Arrange delegations of pre-qualified minority companies to participate in domestic and international trade missions. (MBDA)

Business assisted (#)	20	40	140
Amount ($M)	-	5	17

4.1.6 Create franchise opportunities with major corporations for minority business enterprises. (MBDA)

Business assisted (#)	-	1	4

4.1.7 Create opportunities for minority business enterprises through acquisitions, mergers and joint ventures. (MBDA)

4.2 Improve the opportunities for minority-owned businesses to pursue financing.

4.2.1 Promote minority business lending with financial institutions. (MBDA)

MOUs signed (#)	5	20	30

4.2.2 Arrange loan pre-qualification for minority business enterprises. (MBDA)

Value ($M)	211	160	160

5.0 TECHNOLOGICAL INNOVATION

5.1 Provide technical leadership for the Nation's measurement and standards infrastructure, and assure the availability of essential reference data and measurement capabilities.

US/OTP's FY 1999 budget request is $10 million, with 50 FTE. NIST's budget request is $715.0 million, with 3,295 FTE.

5.1.1 Anticipate and address the Nation's most important needs for physical and information-based measurements and standards. (TA)[6]

	FY 97	FY 98	FY 99
Standard Reference Materials (SRM) available (#)	1,278	1,293	1,308
SRM units sold (#)	39,358	38,928	38,142
Standard Reference Database (SRD) titles available (#)	58	60	62
SRD units distributed (#)	5,102	5,200	5,300
Calibrations and tests performed (#)	8,902	9,000	8,900
National Voluntary Laboratory Accreditation laboratories enrolled (#)	854	900	900

5.1.2 Strengthen the national system of standards, measurement, measurement traceability, and conformity assessment. (TA)

NIST patents filed and licenses issued (#)	44	40	40
Standards committees involving NIST staff (#)	1,167	1,175	1,175
Requests to the central NIST WWW server (#)	978,563	1,000,000	1,000,000

[6] The Department of Commerce is among the agencies participating actively in the Research Round Table, which is developing consensus approaches to planning/measurement issues under the "Alternative Format" provision of GPRA. The Alternative Format is built upon peer review and economic impact studies. NIST's Measurement and Standards Laboratories are evaluated annually by the National Research Council and this information will also be used. Objectives 5.1.1, 5.1.2, 5.1.3, and 5.2.2 will use the Alternative Format.

5.1.3 Provide leadership in harmonizing international measurements and standards to facilitate international trade. (TA)

Leadership positions held by NIST staff on international committees (#)	48	59	59

5.2 Improve the technological capability, productivity, and competitiveness of small manufacturers.

5.2.1 Build an effective, nationally-integrated system of manufacturing extension services that is widely accessible to small businesses. (TA)

	FY 97	FY 98	FY 99
Companies served by extension service providers (#)[10]	21,988	26,000	30,000
Activities completed by providers[11] (#)	28,578	30,943	33,473
Increased sales ($M)	214	305	389

5.2.2 Introduce state-of-the art technology and business practices to a wide array of small- and medium-sized manufacturers in the United States. (TA)

Inventory savings by MEP clients ($M)	31	44	56
Labor and material savings by MEP clients ($M)	27	38	49
Client capital investment ($M)	156	222	284

5.3 Assist U.S. businesses in continuously improving their productivity and efficiency by adopting quality management practices.

5.3.1 Develop and continuously improve the Malcolm Baldrige National Quality Award, broadly disseminate criteria for evaluating performance, and promote quality awareness and performance excellence. (TA)[9]

Quality Program documents requested from the WWW (#)	494,217	600,000	625,000
State and local quality award programs supported (#)	56	60	65

[7] Anticipated increases for companies served and activities completed for FY 1998 and FY 1999 are based on actual increases between FY 1996 and FY 1997 and MEP's goal of increasing the system-wide penetration rate.

[8] Anticipated increases for companies served and activities completed for FY 1998 and beyond are based on actual increases between FY 1996 and FY 1997 and MEP's goal of increasing the system-wide penetration rate.

[9] TA/NIST will also use stakeholder review and economic impact studies via the Alternative Format.

5.3.2 Promote quality awareness and business excellence practices of small service businesses and manufacturers. (TA)[10]

Quality Program documents requested from the WWW (#)	494,217	600,000	625,000
Economic impact study conducted (#)	0	0	1

5.4 Accelerate technological innovation and the development of new technologies that underpin future economic growth.[11]

5.4.1 Encourage the development and rapid diffusion of high risk, enabling technologies that generate broad-based economic benefits through innovative products, services, and industrial processes. (TA)

	FY 97	FY 98	FY 99
Cumulative amount of industry cost - sharing commitments over project lives ($B)[15]	1.172	1.467	1.827
Participants (active projects) (#)	800	900	900
Active projects including those funded in current FY(#)	312	360	367
Projects funded over project lives	352	434	528
Technologies under commercialization (#)	60	110	160

5.4.2 Develop improved technological and organizational mechanisms for supporting the rapid adoption of new technologies. (TA)[12]

Competitions completed per year	7	9	9
New project starts during year	64	82	94
Industry cost sharing commitments for new project starts	142	295	360
Technologies under commercialization	60	120	160

10 TA/NIST will use stakeholder review and economic impact studies via the Alternative Format.

11 TA/NIST will also use economic impact studies.

12 In addition to these figures, TA/NIST will be developing information on annual increases.

5.5. Coordinate and lead Presidential initiatives and interagency efforts to enhance industry competitiveness in partnership with industry, academia, and the States.

5.5.1 Coordinate and lead interagency efforts to develop the technology base for next generation automobiles, promote technological achievement, and foster international technology cooperation. (TA)

	FY 97	FY 98	FY 99
Achieve a successful PNGV Peer Review conducted by the National Research Council	1	1	1
Increase the number of high quality Medal nomination submissions (% increase)	-	-	20
Increase the number of Medal nomination submissions from women and ethnic minorities (% increase)	-	-	100
Increase the total media coverage of the Medal Program (% increase)	-	-	20

5.5.2 Coordinate and lead interagency efforts to strengthen technology partnerships between States and the Federal government. (TA)

U.S. Innovation Partnership program implementation initiatives facilitating State/Federal innovation partnerships (#)	0	2	3
Conduct a successful EPSCoT grant competition each year	-	1	1
EPSCoT projects funded (cumulative #)	0	4	10

6.0 PROTECTING INTELLECTUAL PROPERTY

6.1 Help protect, promote, and expand intellectual property rights system throughout the U.S. and abroad.

PTO's FY 1999 Salaries and Expenses spending will be $785.5 million, with 6,358 FTE.

6.1.1 Participate in international cooperative arrangements. (PTO)

	Baseline[17]	FY 98	FY 99
Developing countries provided with technical assistance (#)	47	47	52
Technical assistance activities completed (#)	59	59	64

6.1.2 Cooperate with other government agencies to ensure that intellectual property concerns are adequately addressed. (PTO)

[13] For PTO, the Baseline is actuals from FY 1996.

7.0 INFORMATION INFRASTRUCTURE

7.1 Support the development of a National Information Infrastructure (NII) that will be accessible to all Americans.

NTIA's FY 1999 budget request is $47.9 million, with 288 FTE.

7.1.1 Administer the Information Infrastructure Grants program to assist educational, health care and other social service entities in planning and developing the telecommunications and information infrastructure. (NTIA)

	FY 97	FY 98	FY 99
NII print materials distributed (#)	20,000	65,000	75,000
Electronic access to information (#)	-	11,000	11,000
Presentations and contacts (#)	-	900	900
Applications received (#)	924	750	750
Grants awarded (#)	55	40	40
Reviewers meet evaluation criteria (%)	-	100	100
High risk sites visited (%)	-	100	100
Awardees counseled (%)	-	100	100
Quarterly reports in compliance (%)	-	100	100
Information Infrastructure models for non-profit and public service (#)	169	275	382

7.1.2 Improve delivery of communications products and services to the public through Executive Branch initiatives in legislative and regulatory forums. (NTIA)

Increased identification of new technologies and their application to government operations[18]	-	-	-

7.1.3 Ensure that educational and cultural benefits of public broadcasting are widely available, and the use of telecommunications technologies to improve effectiveness of distance learning. (NTIA)

Maintain current access to public radios by rural populations (new coverage) (#)	1,000,000	750,000	750,000
Maintain current access to public television by rural populations (new coverage) (#)	50,000	30,000	30,000

[14] Precise measurement tools do not presently exist in this area; however, we are working with the telecommunications community to develop rational approaches to assessing these issues.

7.2 Advocate international telecommunications policies to help open international markets and promote U.S. interests.

7.2.1 Improve international competitiveness of the U.S. telecommunications industry. (NTIA)

Number of "lessons learned" packages completed for foreign governments	-	-	175
Extent of adoption of packages	-	-	-
Numbers of outreach plans and reports on foreign markets	-	10	20
Percent improvement in liaison with U.S. companies	-	-	100
Number of interagency policy identification exercises	-	5	12
Cost-effective programs funded from private sector sources for U.S. telecommunications objectives	-	-	10
Number of outreach meeting held with U.S. carriers	2	4	6
Increased U.S. companies competing for new markets[19]	-	-	-
Adoption of U.S. Internet standards in the international community[19]	-	-	-

7.3 Set policies for efficiently and effectively managing the Federal use of the radio spectrum, and prepare for international radio spectrum setting conferences of the ITU.

7.3.1 Ensure that government needs for vital telecommunications services are met nationally and internationally. (NTIA)

	FY 97	FY 98	FY 99
Development of database of allocated bands and of automated method for accessing/using database.	Planning and initial implementation steps	Planning and initial implementation steps	Fully implemented

15 NTIA is examining several survey methodologies aimed at accurately measuring these impacts.

7.3.2 Coordinate U.S. preparations for international frequency allocation conferences and lead U.S. delegations to these conferences. (NTIA)

Development of long-range plans to meet U.S. spectrum needs	-	Develop draft	Complete implementation

7.4 Provide leadership in developing telecommunications policy initiatives in emerging areas of national priority.

7.4.1 Implement the President's Global Electronic Commerce initiative regarding the governance of the Internet domain system, Internet content restrictions, and international privacy. (NTIA)

	FY 97	FY 98	FY 99
Development of private sector approach to Internet governance	-	Draft for comment	Fully implemented

8.0 PROTECTING LIFE AND PROPERTY

8.1 Promote safe navigation by revolutionizing U.S. marine and air navigation, mapping and surveying; assist commercial shipping in moving increased cargoes safely and efficiently; and provide a precise satellite-derived reference system as the basis for the Nation's geographical positioning needs.

NOAA's FY 1999 budget request is $2.12 billion, with 12,358 FTE.

8.1.1 Build, maintain and deliver a digital nautical charting database to underpin new electronic navigational systems which integrate satellite positioning, tidal heights and currents, radars and sonars, and navigational aids; and update nautical surveys using full-bottom coverage hydrographic technologies. (NOAA)

	FY 97	FY 98	FY 99
Nautical charts linked to geographic data (Vector Charts) available in digital data base (%)	25	80	100
Nautical paper chart suite updated (%)	23	35	40
Critical area survey backlog reduced (%)	12	16	19

8.1.2 Provide mariners with predictions of water level, tides and currents, and weather conditions in major ports. (NOAA)

National Water Level Observation stations modernized (%)	78	80	75

8.1.3 Transform the obsolete spatial reference frame into a Global Positioning System (GPS)-based system of precisely positioned markers and GPS continuously operating reference stations to support the digital revolution in mapping, charting, and surveying. (NOAA)

Continuously Operating Reference Stations installed (#)	53	65	75

8.2 Improve short-term warning and forecast products and services to enhance public safety and the Nation's economic productivity by enhancing the ability to observe, understand, and model the environment, and effectively disseminate products and services to users.

8.2.1 Maintain modernized National Weather Service operations to continue improving the timeliness and accuracy of short-range environmental predictions which have immediate impact on individuals and many sectors of the economy; improve customer service to the public, emergency managers, the media, and private forecasters through effective communication and utilization of critical weather data and information necessary for protection of life and property. (NOAA)

	FY 97	FY 98	FY 99
Flash flood warning			
Lead time (min.)	40	40	42
Accuracy (%)	83	83	85
No lead time (%)	27	27	27
Severe Thunderstorm Warnings			
Lead time (min)	18	18	19
Accuracy (%)	84	84	84
Tornado Warnings			
Lead time (min.)	10	10	11
Accuracy (%)	59	65	70

8.2.2 Maintain continuous operational satellite coverage (of the Nation) critical for warnings and forecasts. (NOAA)

Accuracy of tropical cyclone landfall warnings with 24 hour lead time (kilometers)	125[20]	140	135
Temperature forecasts			
Accuracy (%)	86	86	87
Freezing onset (%)	76	77	78
Heavy snow forecasts			
Accuracy (%)	45	50	55

[16] FY 1997 preliminary measure for tropical cyclone (or hurricane) landfall warning is not representative of a typical hurricane season as only one landfall storm occurred during the fiscal year.

8.2.3 Strengthen observing and prediction systems through scientific, technological and programmatic advances, and international cooperation. (NOAA)

	FY 97	FY 98	FY 99
Flash flood warning			
Lead time (min.)	40	40	42
Accuracy (%)	83	83	85
No lead time (%)	27	27	27
Severe Thunderstorm Warnings			
Lead time (min)	18	18	19
Accuracy (%)	84	84	84
Tornado Warnings			
Lead time (min.)	10	10	11
Accuracy (%)	59	65	70
Accuracy of tropical cyclone landfall warnings with 24 hour lead time (kilometers)	125[21]	140	135

[17] FY 1997 preliminary measure for tropical cyclone (or hurricane) landfall warning is not representative of a typical hurricane season as only one landfall storm occurred during the fiscal year.

CHAPTER 4-B
SCIENCE, TECHNOLOGY, AND INFORMATION
(PERFORMANCE MEASURES)

Chapter 4-B sets forth goals, objectives, and performance measures for program activities described in Chapter 2 and links them to our budget request.

Chapter 4-B of the Annual Performance Plan contains goals, objectives, and quantitative performance measures pertaining to science, technology, and information.

The performance measures are numbered to correspond with the goals and objectives discussed in Chapter 2.

1.0 CUTTING-EDGE SCIENCE AND TECHNOLOGY

1.1 Partner with industry to accelerate the development and application of cutting-edge technologies.

US/OTP's FY 1999 budget request is $10.0 million, with 50 FTE. NIST's FY 1999 budget request is $715.0 million, with 3,295 FTE.

1.1.1 Anticipate and address the Nation's most important needs for physical and information-based measurements and standards. (TA)[18]

	FY 97	FY 98	FY 99
Standard Reference Materials (SRM) available (#)	1,278	1,293	1,308
SRM units sold (#)	39,358	38,928	38,142
Standard Reference database titles available (#)	58	60	62
SRD units distributed (#)	5,102	5,200	5,300
Calibrations and tests performed (#)	8,902	9,000	8,900
National Voluntary Laboratory Accreditation laboratories enrolled (#)	854	900	900

[18] The Department of Commerce is among the agencies participating actively in the Research Round Table, which is developing consensus approach to planning/measurement issues, such as this, under the "Alternative Format" provision of GPRA. The Alternative Format is built upon peer review and economic impact studies. In addition to the information shown here, Objective 1.1.1, 1.1.2, and 1.1.3 will use the Alternative Format.

1.1.2 Introduce state-of-the-art technology and business practices to a wide array of small- and medium-sized manufacturers in the United States. (TA)

Inventory savings by MEP clients ($M)	31	44	56
Labor and material savings by MEP clients ($M)	27	38	49
Client capital investment ($M)	156	222	284

1.1.3 Encourage the development and rapid diffusion of high risk, enabling technologies that generate broad-based economic benefits through innovative products, services, and industrial processes. (TA)

Cumulative amount of industry cost - sharing commitments over project lives ($B)	1.172	1.467	1.827
Participants (active projects) (#)	800	900	900
Competitions completed/year (#)	7	9	9
Active projects including those funded in current FY (#)	312	360	367
Projects funded over project lives	352	434	528
Technologies under commercialization (#)	60	120	160

1.2 Collect, preserve, and disseminate government technical, scientific, and business information.

1.2.1 Play a leadership role in assisting Federal agencies with dissemination of their scientific, technical, and business information. (TA)

	FY 97	FY 98	FY 99
Information products cataloged and indexed (#)	109,453	120,000	120,000
Items in archives (#)	2,661,365	2,781,365	2,901,365
Items distributed (#)	1,558,179	1,401,490	1,437,000

1.2.2 Provide services and infrastructure to control scientific, technical, and business related information, and increase the effectiveness of systems for locating and delivering information in the form required by customers. (TA)

Documents stored electronically (#)	44,290	175,000	425,000
Documents Reproduced from Electronically Stored Media (#)	78,481	150,000	300,000
System accessed (#)	15,279,953	23,000,000	25,000,000

1.3 Conduct domestic and international policy analyses on issues affecting the research, development, and commercialization of technology and related issues affecting U.S. competitiveness and in partnership with industry, academia, and the States – develop policy options to improve U.S. economic growth, job creation and quality of life.

1.3.1 Monitor and assess what competitor nations are doing to support R&D and enhance their industrial competitiveness. (TA)

	FY 97	FY 98	FY 99
Publish reports and disseminate analysis of other nation's technology policies, to inform U.S. policy making and assist U.S. industry (#)	2	2	2

1.3.2 Monitor and assess the technological strengths, weaknesses and barriers faced by U.S. industrial sectors, and translate those assessments into policy options with partners in industry, academia, and the States. (TA)

Conduct roundtable discussions to obtain industry perspectives on high priority technology policy issues (#)	5	2	3
Conduct PACE events to foster technology partnerships between the Federal government, industry, and academia (#)	1	4	4
Undertake major advocacy effort to turn USOTP analysis into actions (#)	1	1	1

2.0 COLLECTING AND DISSEMINATING ENVIRONMENTAL INFORMATION

2.1 Implement seasonal to interannual climate forecasts.

NOAA's FY 1999 budget request is $2.12 billion, with 12,358 FTE.

2.1.1 Deliver useful seasonal to interannual climate forecasts for the U.S. and collaborate in a multinational effort to generate and use similar forecasts; assess the impacts of climate variability on human activity and economic potential, and improve public education so that climate forecasts are understood and acted upon. (NOAA)

	FY 97	FY 98	FY 99
ENSO forecasts			
(Accuracy correlation)[23]	.81	.81	.81
Lead time (years)[24]	.50	.50	.50
U.S. Temperature prediction			
Skill score (%)[25]	19	20	20
Lead Time (years)	.50	.50	.50

2.1.2 Enhance global observing and data systems required to provide data for the initialization and validation of model predictions of seasonal to interannual climate variations. (NOAA)

ENSO observing system operational (%)	0	50	75
New and improved data sets developed and produced (#)	7	12	12

2.1.3 Invest in process and modeling research that leads to improved predictability of temperature and rainfall distributions. (NOAA)

Continental Scale International Project research programs implemented (%)	40	40	60
Global Ocean-Atmosphere-Land System (GOALS) experiments implemented (%)	15	15	20

19 Accuracy is the pattern correlation of the forecast relative to actual conditions.

20 Lead time is measured in years (e.g. 0.25 is one season).

21 Skill score means 100 times the number of correct forecasts divided by the number of forecasts made (N), with adjustments for those cases where the actual conditions are equal to the climatological or random-choice expectation (E).

2.2 Predict and assess decadal to centennial change.

2.2.1 Characterize the agents and processes that force decadal to centennial climate change; develop models for the prediction of long-term climate change, carry out scientific assessments, and provide human impacts information. (NOAA)

	FY 97	FY 98	FY 99
Operational ozone stations to measure greenhouse gases (#)	2	2	3

2.2.2 Examine the role of the ocean as a reservoir of both heat and carbon dioxide to address a major source of uncertainty in climate models. (NOAA)

Completion of study in the North Atlantic to determine the air-sea carbon dioxide flux (%)	10	50	100

2.2.3 Ensure a long-term climate record by enhancing domestic and international weather networks, observing procedures, and information management systems; guide the rehabilitation of the ozone layer by providing the scientific basis for policy choices associated with ozone-depleting compounds. (NOAA)

Additional data sets developed and improved for detecting multi-decadal and multi-century changes and variations in climate (#)	16	15	15

2.2.4 Provide the scientific basis for better air quality by improving the understanding of high surface ozone episodes in rural areas and by establishing a monitoring network to detect cleaner air quality. (NOAA)

Completion of initial state of science assessment for rural ozone chemistry (%)	50	75	100
Completion of upgrade and operation of early detection of air quality stations (%)	30	50	60

3.0 PROTECTING INTELLECTUAL PROPERTY

3.1 Promote awareness of, and provide effective access to, patent and trademark information.

PTO's FY 1999 Salaries and Expenses spending will be $785.5 million, with 6,358 FTE.

3.1.1 Consistently achieve customer satisfaction by understanding and supporting customer needs. (PTO)

	Baseline[26]	FY 98	FY 99
Customer Satisfaction with Key Products and Services (%)	84	-	90

3.1.2 Promote the use and accessibility of intellectual property information. (PTO)

Customer Satisfaction with Ease of Access (%)	84	-	90
Top 100 Metropolitan Areas Served by Patent and Trademark Depository Libraries (%)	55	55	58

3.1.3 Develop the highest quality information products and services which deliver information when, where, and in the format needed. (PTO)

Products and Services Meeting Schedules or Cycle Time Standards (%)	63	63	80
Top 100 Metropolitan Areas Served by Patent and Trademark Depository Libraries (%)	55	55	58

[22] For PTO, the Baseline is actuals from FY 1996.

4.0 PROMOTING AN ADVANCED TELECOMMUNICATIONS STRUCTURE

4.1 Support the development of a National Information Infrastructure that will be accessible to all Americans.[23]

NTIA's FY 1999 budget request is $47.9 million, with 288 FTE.

4.1.1 Administer the Information Infrastructure Grants program of grants to assist State and local governments, universities and school systems, hospitals and other health care providers, and other social service entities. (NTIA)

	FY 97	FY 98	FY99
Increased number of entities connected to the NII (schools, libraries (% increase)	40	75	90

4.1.2 Improve the delivery of communications services and products to the public, through Executive Branch attention to the issues, legislative initiatives, and Federal Communications Commission (FCC) dockets. (NTIA)

Maintain in access for rural areas (%)	95	95	95

4.1.3 Improve the international competitiveness of the U.S. telecommunications industry and the ability of U.S. businesses and consumers to have access to high quality, reasonably-priced international services. (NTIA)

Increased adoption of U.S. - supported standards	-	-	-

4.2 Engage in technical research to improve telecommunications system planning, design, and evaluation and to support government and industry efforts in these areas.

4.2.1 Ensure that all government needs for vital telecommunications services can be satisfied nationally and internationally. (NTIA)

	FY 97	FY 98	FY99
Increased identification of new technologies for governmental application	60	80	80

[23] Precise measurement tools do not presently exist in this area; however, we are working with the telecommunications community to develop rational approaches to assessing these issues.

4.2.2 Ensure that the educational and cultural benefits of public broadcasting are available to as many people as possible; educational entities are able to use a variety of telecommunications technologies to improve the effectiveness of distance learning; minorities and women have increased access and control of public telecommunications; and blind and hearing-impaired persons are able to participate more fully in society through the use of telecommunications. (NTIA)

Develop international Internet standards for content identification and promote their use as a non-governmental solution to cross-border policy issues	-	-	1

5.0 COLLECTING AND DISSEMINATING ECONOMIC AND DEMOGRAPHIC DATA

5.1 Provide Gross Domestic Product and related national, regional, and international economic statistics in the most accurate, timely, cost-effective, and easily accessible way possible.

ESA's FY 1999 budget request is $53.7 million, with 570 FTE. Census' FY 1999 is $1.19 billion, with 16,510 FTE.

5.1.1 Reduce respondent burden and increase accuracy and timeliness through electronic filing of BEA's surveys of direct investment and international services. (ESA)

5.1.2 Increase accuracy, reliability, and timeliness, across the national, regional, and international programs, through standardized data transfer and on-line interactive editing and processing systems for source data. (ESA)

	FY 97	FY 98	FY 99
Increase accuracy, reliability and timeliness across national regional and international programs	Retired mainframe computer after migrating over 90 applications to local area network	Re-engineer at least 20 of the highest priority computer applications to improve timeliness, quality, and accessiblity of BEA's data by better utilizing new system capabilities.	Expedite re-engineering of remaining computer applications in priority order

5.1.3 Increase the timeliness and accessibility of data products to a wide range of customers through Internet and other electronic gateways. (ESA)

Analyses on near term prospects and composition of economic activity in U.S.	50	50	50
Provide focal point for data dissemination:			
Internet subscriptions	7,000	8,000	9,300
Internet site licenses	700	800	925

5.2 Provide products and services of greater value and satisfaction to Census national and local information base customers.

5.2.1 Develop customer- and market-driven Census products. (ESA)

	FY 97	FY 98	FY99
Surveys converted to North American Industrial Classification Code System (NAICS) (%)	-	-	70
Business register converted to NAICS (%)	-	-	100
Releases of Principal Federal Economic Indicators (#)	10 monthly 3 quarterly	10 monthly 3 quarterly	10 monthly 3 quarterly

5.2.2 Provide easier access to, and greater customer satisfaction with, Census products and services. (ESA)

NAICS-based 1997 census reports released (# and %)	-	-	350 50
Publish 1998 American Community Survey results	-	-	9
Participation in the American Community Survey (ACS) (# of sites)	-	-	40

5.3 Provide information on economic events and the workings of the economy.

5.3.1 Provide information, analyses and guidance on pending economic policy decisions. (ESA)

	FY 97	FY 98	FY 99
Analyses on the near-term prospects and composition of economic activity in U.S (#)	50	5	52
Analyses and reports on capability and utilization of small, disadvantaged businesses	-	-	-
Policymakers provided with comprehensive, accurate and timely assessments on the economy	-	-	-
Policymakers provided with bases for determining levels of minority business participation in Federal procurement programs	-	-	-
Major studies, working paper and reports on U.S. industrial performance	12	12	12

5.3.2 Provide a focal point for data dissemination bringing together business, economic, and trade statistics in formats that are easy to use and located at a "one-stop shop." (ESA)

	FY 97	FY 98	FY 99
STAT-USA Internet subscriptions (#)	7,000	8,000	9,300
STAT-USA Internet site licenses	700	800	925
National Trade Data Bank free distribution to Federal Depository Libraries	1,091	1,091	1,091

6.0 EXPAND OPPORTUNITIES THROUGH EXPORTS

6.1 Employ ITA's comprehensive industry sector, technical, and country information bases to counsel U.S. firms (especially small and medium-sized firms) on appropriate export strategies, and provide comprehensive and up-to-date information to these firms to support business strategies, and related analyses to the USTR for trade negotiations.

ITA's FY 1999 budget request is $286.5 million, with 2,329 FTE.

6.1.1 Expand and enrich ITA's general trade, industry sector, technical, and country information, and increase their utility to ITA's industry clients' export decision making. (ITA)

6.1.2 Broaden and improve ITA's information distribution network (e.g., use of the Internet, increased support of the National Trade Data Bank, etc.) to ensure that information reaches a larger universe of small- and medium-sized companies in a more timely fashion. (ITA)

6.1.3 Expand and improve marketing activities undertaken to make ITA's clients more aware of ITA's extensive information resources. (ITA)

6.1.4 Complete identification of the trade agreements negotiated by the U.S. and construct a searchable database of these agreements. (ITA)

6.1.5 Continue to update the Commercial Service's client contact and management system, and migrate the client information to a widely-used and robust application platform to maintain our ability to provide trade and economic data worldwide. (ITA)

	FY 97[28]	FY 98	FY 99
Matching services (#)	1,384	1,410	1,410
Custom agency reports (#)	14,938	17,372	17,648
Satisfied customers (%)[29]	-	-	-
Reports distributed (#)	502,425	524,242	542,619
New-to-export firms (#)	10,021	10,541	10,649
New-to-market firms (#)	33,957	35,339	36,806
Value of gross exports supported ($)[30]	-	-	-
Gross jobs supported (#)[31]	-	-	-
Firms that actually export (%)	30	32	32

[24] The measures presented below display aggregate data for all of the five ITA "objectives" listed above.

[25] ITA is examining several survey methodologies aimed at accurately measuring customer satisfaction.

[26] ITA's efforts to quantify "additionality" (i.e. value added from its trade programs) and the related performance measures listed above ("Dollar value of gross exports supported" and "Number of gross jobs supported") although focused, remain a work in progress.

6.2 Restructure export controls for the twenty-first century, and facilitate transition of defense industries.

BXA's FY 1999 budget request is $52.2 million, with 433 FTE.

6.2.1 Implement the Nation's encryption export policy. (BXA)

	FY 97	FY 98	FY 99
Encryption commitment plan and progress report (#)	37	41	40
Encryption key recovery agent reviews (#)	9	50	100

6.2.2 Oversee domestic implementation of the Chemical Weapons Convention (CWC) by the business community. (BXA)[27]

CWC inspections (#)	-	-	40
CWC facility agreements (#)	-	-	140
Data declarations processed (#)	-	-	2,000

6.2.3 Promote U.S. economic security, technological competitiveness, and defense diversification. (BXA)

Strategic industry analyses (#)	716	485	485
Value of facilitated exports ($B)	2.3	5.0	5.0

[27] The CWC is a new activity for BXA.

7.0 PROVIDING ASSISTANCE TO ECONOMICALLY DISTRESSED AREAS

7.1 Help both rural and urban communities incorporate technology as a tool for their economic development.[28]

EDA's FY 1999 budget request is $398.0 million, with 285 FTE.

7.1.1 Help distressed communities plan for technology-led economic development. (EDA)

7.1.2 Help distressed communities build infrastructure necessary for technology-based economic development, including business incubators, industrial technology research centers and laboratories, technical skills training centers, and entrepreneurial development centers. (EDA)

7.1.3 Provide technical assistance to communities to develop the networks and linkages necessary for technology-based economic development, including the creation of electronic networks and trade and commerce organizations. (EDA)

	FY 97[28]	FY 98	FY 99
Matching services (#)	1,384	1,410	1,410
Custom agency reports (#)	14,938	17,372	17,648
Satisfied customers (%)[29]	-	-	-
Reports distributed (#)	502,425	524,242	542,619
New-to-export firms (#)	10,021	10,541	10,649
New-to-market firms (#)	33,957	35,339	36,806
Value of gross exports supported ($)[30]	-	-	-
Gross jobs supported (#)[31]	-	-	-
Firms that actually export (%)	30	32	32

[28] The measurements below apply to all objectives under Goal 7.1.

CHAPTER 4-C
STEWARDSHIP OF RESOURCES AND ASSETS
(PERFORMANCE MEASURES)

Chapter 4-C sets forth goals, objectives, and performance measures for program activities described in Chapter 3 and links them to our budget request.

Chapter 4-C of the Annual Performance Plan contains goals, objectives, and quantitative performance measures pertaining to economic infrastructure.

The performance measures in Chapter 4-C are numbered to correspond to the goals and objectives discussed in Chapter 3.

1.0 PROTECT OCEAN AND COASTAL RESOURCES

1.1 Build sustainable fisheries that increase the Nation's wealth and quality of life, support increased fishing industry job opportunities, improve the safety and wholesomeness of seafood resources, and expand recreation opportunities.

NOAA's FY 1999 budget request is $2.12 billion, with 12,358 FTE.

1.1.1 Assess the status of fishery resources, to improve the scientific basis for policy decisions, including the elimination of overfishing, the rebuilding of overfished stocks, the conservation of fish habitat, and the minimization of bycatch-related mortality; advance fishery predictions through research and applications. (NOAA)

	FY 97	FY 98	FY 99
Fish stocks assessed (of 231 identified) (%)	79	79	79
Completion of information technology procurement (%)	85	90	95

1.1.2 Manage for economic growth and sustainable fisheries by working with Fishery Management Councils, foreign nations and others to plan for reducing excessive fishing and capital investment; provide research and services for fishery-dependent industries to maximize the potential benefits from the Nation's marine resource. (NOAA)

Fishery Management Plans with controlled access implemented (#)	25	26	27
Magnuson-Stevens Act requirements met (%)	-	-	20

1.1.3 Ensure adequate compliance with fishery regulations. (NOAA)

Fleets using vessel monitoring systems for spatial/temporal regulations (#)	3	3	5

1.2 Recover protected species through conserving marine species, recovering those in danger of extinction, and maintaining healthy marine ecosystems upon which they depend.

1.2.1 Assess the status of, and impacts to, protected species. (NOAA)

	FY 97	FY 98	FY 99
Annual investigations of mortality of protected species (#)	7	10	10
Annual review of conservation program status (#)	11	7	11

1.2.2 Develop and implement conservation and recovery plans for depleted marine mammals and endangered and threatened species. (NOAA)

Cumulative recovery plans developed (#)	10	25	25
Annual recovery plan priority activities implemented (#)	8	8	15
Annual species with status improved (#)	12	16	15
Cooperative conservation programs implemented (#)	4	10	10

1.3 Sustain healthy coasts to promote more productive and diverse habitats for fish and wildlife, cleaner coastal waters for recreation and the production of seafood, and achieve sustainable economies for coastal communities based on well-planned development and healthy ecosystems.

1.3.1 Protect, conserve and restore coastal habitats and their biodiversity. (NOAA)

Acres of coastal habitat restored (#)	12,000	26,000	43,000
Resource damage cases settled (#)	26	29	32
Interagency restoration projects (#)	16	20	55
Fishery management plans with essential fish habitat provisions (#)	0	1	8
Coastal management tools improved (#):			
Monitoring	8	10	12
Remote sensing	7	7	7
Ecosystem models	6	7	7

1.3.2 Promote clean coastal waters to sustain living marine resources and ensure safe recreation, healthy seafood and economic vitality. (NOAA)

Coastal states with approved nonpoint pollution programs (of 35) (%)	77	83	91
Coastal states with implemented nonpoint pollution programs	0	0	20
% of the 40 largest U.S. coastal ecosystems with:			
-Reduced risk from hazardous chemicals	15	20	25
-Water quality assessments	20	25	28
-Toxics assessments	20	25	28

1.3.3 Foster well-planned and revitalized coastal communities that sustain coastal economies, are compatible with the natural environment, minimize the risks from nature's hazards, and provide access to coastal resources for the public's use and enjoyment. (NOAA)

Coastal states with approved coastal management programs (of 35 states) (%)	89	94	97
# Coastal management tools improved for:			
-Natural hazard risk assessment	2	2	7
-Coastal hazard mitigation	0	0	5

2.0 MANAGING INTELLECTUAL PROPERTY

2.1 Grant exclusive rights, for limited times, to inventors for their discoveries, and enhance trademark protection.

PTO's FY 1999 Salaries and Expenses spending will be $785.5 million, with 6,358 FTE.

2.1.1 Maximize the business contribution of patents by reducing cycle time for inventions, reengineering business processes, achieving electronic processing of patent applications, assessing fees commensurate with resource utilization and customer efficiency, and exceeding customer expectations through the competencies and empowerment of employees. (PTO)

	Baseline[34]	FY 98	FY 99
Original invention filings (#)	158,427	191,700	201,300
Applications disposed (#)	180,196	194,600	218,700
Applications disposed per examiner FTE (#)	87.2	87.2	89.4
Average cycle time of original inventions processed (months)	14.6	15.7	13.8
Original inventions achieving 12 Month or less cycle time (%)	47	50	75
Customer satisfaction (%)	50	57	65

2.1.2 Maximize the business contribution of trademarks by reducing pendency time, implementing reengineered processes, and transforming trademark processing into a fully electronic operation. (PTO)

Employee satisfaction (%)	41	65	70

Trademark applications filed (#)	200,640	250,000	275,000
Applications disposed per FTE (#)	221	206	204

29 For PTO, the Baseline is actuals from FY 1996.

3.0 SUPPORT THE DEVELOPMENT OF INFORMATION TECHNOLOGY

3.1 Promote the development of an advanced telecommunications and information infrastructure to efficiently serve the needs of all Americans, create job opportunities for American workers, and enhance the competitiveness of U.S. industry in the global marketplace.

NTIA's FY 1999 budget request is $47.9 million, with 288 FTE.

3.1.1 Set policies for efficiently and effectively managing the federal use of the radio spectrum, and prepare for international radio spectrum-setting conferences of the International Telecommunications Union (ITU). (NTIA)

3.1.2 Support the development of a National Information Infrastructure (NII) that will be accessible to all Americans. (NTIA)

	FY 97	FY 98	FY99
Long-range plans to meet public safety and emergency needs	1	amendment	amendment

3.1.3 Promote national policies to increase competition and efficient investment in telecommunications and information industries, enhance consumer welfare and economic and social opportunities for all, and remove impediments to the growth and vitality of these sectors. (NTIA)

utilization of the information infrastructure (# reports)			

3.1.4 Administer the Information Infrastructure Grants program which provides grants to assist State and local governments, universities and school systems, hospitals and other health care providers, and other social service entities. (NTIA)

Increase in the national average for telephone penetration (%)	93.9	94	94.1

3.1.5 Ensure that all government needs for vital telecommunications services can be satisfied nationally and internationally. (NTIA)

Engineering reviews	60	80	80

3.1.6 Ensure that the educational and cultural benefits of public broadcasting are available to as many people as possible, educational entities are able to use a variety of telecommunications technologies to improve the effectiveness of distance learning, minorities and women have increased access and control of public telecommunications, and blind and hearing-impaired persons are able to participate more fully in society through the use of telecommunications. (NTIA)

Develop international Internet standards for content identification and promote their use as a non-government solution to cross-border policy issues	-	-	1

4.0 ECONOMIC ASSISTANCE TO DISTRESSED COMMUNITIES

4.1 Enable communities that have acquired military installations during the recent defense downsizing to convert their use to civilian functions for local economic benefit.

EDA's FY 1999 budget request is $398.0 million, with 285 FTE.

4.1.1 Help communities design and implement strategies for adjusting to base closures or natural disasters that are causing, or threaten to cause, serious structural damage to the underlying economic base. (EDA)

4.1.2 Help communities replace, transform or expand infrastructure facilities of military installations to retain or create substantial employment potential. (EDA)

	FY 97	FY 98	FY 99
Defense Adjustment	-	The Defense Adjustment program uses the tools available under EDA's other programs, especially the Economic Adjustment program. Outcomes are measured as part of total program performance.	The Defense Adjustment program uses the tools available under EDA's other programs, especially the Economic Adjustment program. Outcomes are measured as part of total program performance.

4.2 Enable communities to achieve long-term economic recovery from the devastation of their productive resources by natural disasters.

4.2.1 Help communities adversely affected by natural disasters to improve their capacity for economic recovery or adjustment. (EDA)

	FY 97	FY 98	FY 99
Disaster Assistance	-	Disaster assistance projects are funded under EDA's regular program authorities. Outcomes are measured as part of total program performance.	Disaster assistance projects are funded under EDA's regular program authorities. Outcomes are measured as part of total program performance.

4.3 Enable distressed communities to practice and implement sustainable economic development.

4.3.1 Help communities develop an integrated approach that incorporates early local planning, full participation of stakeholders, and a comprehensive strategy to conserve resources and sustain community and quality of life. (EDA)

4.3.2 Help communities redevelop Brownfields. (EDA)

4.3.3 Help distressed communities develop eco-industrial parks and respond to economic dislocation caused by national environmental policies. (EDA)

	FY 97	FY 98	FY 99
Sustainable Development	-	Sustainable development projects are funded under EDA's regular program authorities. Outcomes are measured as part of total program performance.	Sustainable development projects are funded under EDA's regular program authorities. Outcomes are measured as part of total program performance.

APPENDICES

1. Summary of the Commerce Strategic Plan

2. Chart: Goals and Objectives by Budget Request

3. Chart: Cross-cutting Activities (by Bureau)

4. Information Required on Additional Topics

A. Stakeholder and Congressional Consultation
B. Use of Program Evaluations in Selecting Performance Measures
C. Use of Contractors
D. Administrative Waivers Requested

5. Meeting Major Management Challenges

APPENDIX 1
SUMMARY OF THE COMMERCE STRATEGIC PLAN

STRATEGIC PLAN POLICY FRAMEWORK

The Government Performance and Results Act (GPRA) of 1993, P.L. 103-62, was enacted with a 4-year implementation lead time. During this period, we actively prepared for full implementation by pilot testing the strategic planning and performance measure concepts underlying GPRA. In the Spring of 1996, we created a draft Strategic Plan, and we have continued to refine it. We have consulted with our stakeholders and with Congress.

The fifth draft was delivered to OMB in August 1997, to be packaged with others and provided to the Congress according to the Act's requirements.

Commerce has followed a "bottom-up" approach, through a Task Force representing all bureaus. This Strategic Plan Task Force developed and continues refining the Plan, to ensure that:

- the Plan combines enough flexibility to encompass our programs with enough specificity to describe Commerce clearly;

- the goals and objectives provide for the development and use of performance measures, to be used in the Annual Performance Plan and budget formulation process; and

- the Strategic Plan serves as both a management tool for the Secretary and bureaus to use in channeling the Department's activities and a communication device for ensuring that our programs are clear to our customers and the Congress.

The Strategic Plan relies on the annual budgeting and program planning activities of the Department and its bureaus, working with OMB and the Congress, to provide the priority-setting process year to year.

THE THREE STRATEGIC THEMES

How The Themes Link Together

The three Strategic Themes encompass the breadth of the Department of Commerce's mission, but the placing of bureau program activities under each of the Themes represents a new approach to linking many of them to the Departmental mission. In some cases, placement of program goals under a specific theme cuts across bureau lines. In other cases, programs making several principal contributions are cited under more than one Theme.

Thus, flexibility is a key element to our Strategic Plan, and we believe it is essential under GPRA to view our programs for what they accomplish, rather than only for where they are organizationally housed. For example, the Advanced Technology Program (NIST) can be listed under Theme 1 because its grants support the expansion of the economic infrastructure, but it also can be listed under Theme 2 because it focuses on technological innovation. Similarly, the content and application of new scientific and technological discoveries fall under Theme 2. However, the protection of the rights to this intellectual property make these programs an equal candidate for Theme 3.

The Commerce Strategic Plan creates a setting for identifying and capitalizing on relationships among bureaus and on partnerships with other agencies and external parties. The Plan supports the concept that strong working relationships will serve to strengthen the effectiveness of the Department as a whole, as well as demonstrate how individual bureaus logically and critically support the core mission of the Department. Ultimately, the overall performance of the Commerce Department must be measured in terms of the contributions of its component bureaus.

Existing relationships within the Department, and between the Department and other cabinet agencies, already demonstrate how the capabilities of Commerce are being applied collectively to solve problems and supply services.

Theme 1 -- Economic Infrastructure

Theme 1 addresses the nation's "economic infrastructure," in which Commerce is concerned about issues surrounding our domestic and international trading capacities, our nation's job-creation abilities, our support for minority business, our capacity for technological innovation and improvements in production (and our protection of those new ideas), the economic health of our communities, our production capacities, our information infrastructure, and the providing of environmental predictions that are essential for protecting life and property.

Theme 2 -- Science/Technology/Information

Under Theme 2, we set national policy and examine issues of technological development and innovation, conduct the scientific studies and data analysis leading to longer-range environmental predictions, provide information-based support to domestic business/research and international trade (ranging from the census to specific market analyses), focus on the radio frequency spectrum and the technological ways in which broadcasting is conducted, and conduct scientific and technical research in support of National needs.

Theme 3 -- Resource and Asset Management and Stewardship

Theme 3 encompasses several of our responsibilities for the management of resources and assets. Under a series of legislative mandates (as well as references in the U.S. Constitution), Commerce has both direct management responsibilities for specific national resources and stewardship responsibilities to ensure the optimal use of national assets. Some of our Theme 3 activities focus on intangible resources and assets (e.g., we grant access rights to intellectual property and to portions of the radio frequency spectrum), while others are highly tangible (e.g., fishery management activities, recovering protected species, and the wise use and development of coastal resources). Also under this Theme, we are concerned with the assets presented by closed military bases and how best those assets can be converted for effective use by the local communities.

The national resources and assets managed by the Department of Commerce include intellectual property rights, the radio frequency spectrum, and ocean and coastal resources. Utilization of these resources by both the public and private sector contributes significantly to growth in the Gross Domestic Product of the U.S., and they are integral in improving technological innovation and communication, the quality of life, and the environment. Commerce also plays a major role in representing the United States in international negotiations related to the management of these resources.

A distinction can be made between those Commerce bureaus that are directly involved in the management of resources in support of the Departmental mission and those with a role that enables individuals, communities, and private-sector firms to invest in national assets. PTO, NTIA, and NOAA are involved in the direct management of national resources. EDA, PTO, and NTIA are principally engaged in enabling investment in our national assets. A unique feature of each of these national resources is that each has the characteristic of "common property resources."

APPENDIX 2
CHART OF GOALS AND OBJECTIVES BY BUDGET REQUEST

FY 1999 Obligations (in thousands)	102,277	54,220	3,605	10,000	52,362	4,607	5,342	856,257	38,833	6,000	8,914	42,679	24,790
Bureau of the Census:Budget Accounts vs. Strategic Goals and Objectives	Current Econ Stats	Current Demo Stats	Survey Development and Data Srvcs	Survey of Program Dynamics	Econ. Stat. Programs-Economic Census	Econ. Stat. Programs-Census of Governments	Demographic Stats-Intercensal Demographic Est.	Demographic Stats-Decennial Census	Demographic Stats-Continuous Measurement	Demographic Stats-Demographic Surveys sample redesign	Demographic Stats-Electronic Information Collection	Demographic Stats-Geographic Support	Demographic Stats-Data Processing Systems
Strategic Theme 1: Economic Infrastructure													
H. National and local census data	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**
Business practices to improve Census data	x	x	x	x	x	x	x	x	x	x	x	x	x
Increase public cooperation					x			x					
Strategic Theme 2: Science/Technology/Information													
J. Census information	**x**	**x**			**x**	**x**		**x**				**x**	
Customer/market driven Census products	x	x			x	x		x				x	
Easier access to Census products	x	x			x	x		x				x	

FY 1999 Obligations (in thousands)	68,759	14,546	80,403	79,700	165,102	142,394	18,782	25,098	123,787	44,963	69,583	12,884	502,180	62,251	55,486	44,885	58,050	0	10,500	9,600	16,400	621,595	953	189	238	3,353	4,000
National Oceanic and Atmospheric Administration: Budget Accounts vs. Strategic Goals and Objectives	NOS-Navigation Services	NOS-Acquisition of Data	NOS-Ocean Resource Conservation and Assessment	NOS-Ocean and Coastal Management	NMFS-Information, Collection, and Analyses	NMFS-Conservation and Management Operations	NMFS-State and Industry Assistance Programs	NMFS-Acquistion of Data	OAR-Climate and Air Quality Research	OAR-Atmospheric Programs	OAR-Ocean and Great Lakes Programs	OAR-Acquisition of Data	NWS-Operations and Research	NWS-Systems Acquisition	NESDIS-Satellite Observing System	NESDIS-Environmental Data Management Systems	Program Support-Administration and Services	Program Support-Marine Services	Program Support-Aircraft Services	Fleet Maintenance & Planning	Facilities	Procurement, Acquisition & Construction	Fishermen's Contingency Fund	Foreign Fishing Observer Fund	Fisheries Finance	Promote & Develop American Fishery Products	Coastal Zone Management Fund
Strategic Theme 1: Economic Infrastructure																											
X. Safe navigation	**x**	**x**																		**x**							
Digital nautical charting database	x	x																									
Measurement and communication system	x																										
Transform obsolete geodetic reference frame	x																										
Y. Short-term warning and forecasting			**x**							**x**	**x**		**x**	**x**	**x**	**x**	**x**		**x**		**x**	**x**					
Modernization of NWS													x	x	x		x				x	x					
Continuous operation satellite continuity															x	x						x					
Enhance observing and prediction system			x							x	x		x	x					x			x					
Strategic Theme 2: Science/Technology/Information																											
D. Seasonal and Interannual climate forecasts									**x**							**x**			**x**	**x**							
Implement prediction systems									x																		
Global observing and data systems									x							x											
Process and modeling research									x										x								
Deliver services, assess socio-econ impacts									x																		
E. Decadal to Centennial climate change									**x**		**x**	**x**	**x**			**x**	**x**		**x**	**x**							
Characterize climate forcing agents									x										x								
Understand the role of the ocean									x		x	x															
Ensure long-term climate record									x				x			x											
Rehabilitation of the ozone layer									x																		
Scientific basis for improved air quality									x								x										
Prediction, assessment and human impacts									x																		
Strategic Theme 3: Resource and Asset Management and Stewardship																											
A. Sustainable Fisheries			**x**		**x**	**x**	**x**	**x**												**x**			**x**	**x**	**x**	**x**	
Assess status of fishery resources					x	x	x	x																			
Advance fishery predictions			x		x																						
Manage for economic growth					x	x	x																x	x	x	x	
Ensure adequate compliance with fishery regulations						x																					
Fishery research and information					x		x																				
B. Protected species recovery					**x**	**x**		**x**								**x**				**x**							
Assess status of protected species					x	x		x								x											
Implement consercation and recovery plans					x	x																					
C. Sustain healthy coasts		**x**	**x**	**x**	**x**	**x**					**x**				**x**	**x**				**x**			**x**				**x**
Protect habitats and biodiversity			x	x	x	x					x				x	x							x				x
Promote clean coastal waters		x	x	x	x						x												x				x
Foster well-planned communities			x	x	x						x				x								x				x

FY 1999 Obligations (in thousands)	22,000	1,937	2,228	2,106	1,137	1,870	1,662	15,000
National Telecommunications and Information Administration: Budget Accounts vs. Strategic Goals and Objectives	II Grants	Domestic Policies	International Policies	Spectrum Mgmt-Spectrum Plans & Policies	Spectrum Mgmt-Analysis and Operations	Spectrum Research & Analyses	Systems & networks research & analysis	Public Broadcasting Facilities, etc.
Strategic Theme 1: Economic Infrastructure								
T. NII development and access	x	x						x
Information Infrastructure Grants	x							
Improve delivery of communication products		x						
Benefits of public broadcasting								x
U. Int'l telecommunications policies			x					
Int'l competiveness in telecom			x					
V. Radio frequency spectrum		x	x	x	x			
Gov't needs for telecom services		x		x	x			
Int'l frequency allocation conferences			x	x	x			
W. Telecommunication policy initiatives		**x**						
President's Global Electronic Commerce		x						
Strategic Theme 2: Science/Technology/Information								
G. NII development and access	**x**	**x**	**x**					
Information Infrastructure Grants	x	x						
Communications services and products		x						
Int'l competiveness in telecom			x					
H. Telecommunications systems		**x**						**x**
Gov't needs for telecom services		x						
Public broadcasting available		x						x
Strategic Theme 3: Resource and Asset Management and Stewardship								
E. Federal use of the radio spectrum	**x**	**x**	**x**	**x**	**x**			**x**
Federal use of the radio spectrum				x	x			
NII development and access	x							
Increase competition in telecom		x						
Information Infrastructure Grants	x							
Gov't needs for telecom services		x	x					
Public broadcasting								x

FY 1999 Obligations (in thousands)	595,345	81,799	60,980	47,402
Patent and Trademark Office: Budget Accounts vs. Strategic Goals and Objectives	Patent	Trademark	Information Dissemination	Executive Direction
Strategic Theme 1: Economic Infrastructure				
S. Intellectual property rights				**x**
Int'l cooperative arrangements				x
Cooperate w/ other Federal gov't agencies				x
Strategic Theme 2: Science/Technology/Information				
F. Patent and trademark information			**x**	
Achieve customer satisfaction			x	
Intellectual property information			x	
Highest quality information			x	
Strategic Theme 3: Resource and Asset Management and Stewardship				
D. Rights for inventors	**x**	**x**		
Reducing cycle time for inventions	x			
Trademark pendency time		x		

FY 1999 Obligations (in thousands)	9,993	268,891	106,800	38,304	19,404	38,717	28,543	51,441	16,195	44,116	19,338	5,373	29,405	56,714	90,000
Technology Administration: Budget Accounts vs. Strategic Goals and Objectives	US/OTP	Advanced Technology Program	Manufacturing Extension Partnership	Electronics and electrical engin.	Manufacturing Engineering	Chemical Science/Technology	Physics	Materials science and engineering	Building and fire research	Computer Science/Applied Math	Technology Assistance	National quality program	Research support activities	Construction of Research Facilities	Information Clearinghouse Program
Strategic Theme 1: Economic Infrastructure															
N. Measurement and standards infrastructure				**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**		**x**	**x**	
Anticipate and address important measurement/standards				x	x	x	x	x	x	x	x		x	x	
Strengthen the nat'l system of standards/measurement and conformity assessment				x	x	x	x	x	x	x	x		x	x	
Provide leadership in int'l standards/measurements				x	x	x	x	x	x	x	x		x	x	
O. Manufacturing extension services			**x**												
Build a nationally-integrated, accessible MEP system			x												
Introduce technology and business practices to small/medium manufacturers			x												
P. Business productivity and efficiency through quality management												**x**			
Develop the MBNQA and disseminate evaluation criteria												x			
Promote quality awareness and business excellence practices												x			
Q. Innovation and development of new technologies		**x**													
Encourage development and diffusion of high risk, enabling technologies		x													
Accelerate the adoption of new technologies		x													
R. Interagency policy leadership	**x**														
Next generation of automobiles	x														
State/Federal technology partnerships	x														
Strategic Theme 2: Science/Technology/Information															
A. Development and application of cutting-edge technologies		**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**		**x**	**x**	
Anticipate physical measurement and standards needs				x	x	x	x	x	x	x	x		x		
Introduce leading technologies and business practices to small/medium manufacturers			x												
Create and maintain world-class measurement facilities														x	
Encourage development of high risk, enabling technologies		x													
B. Technical information collection & dissemination															**x**
Assisting Federal agencies with dissemination															x
Provide infrastructure to manage information															x
C. R&D technology policy analysis	**x**														
Monitor and assess competitors	x														
Monitor and assess U.S. strengths, weaknesses, and barriers	x														

FY 1999 Obligations (in thousands)	28,087
Minority Business Development Agency: Budget Accounts vs. Strategic Goals and Objectives	MBDA
Strategic Theme 1: Economic Infrastructure	
L. Improve Minority-owned business access	**x**
Match procurement opportunities	x
Bring together a variety of resources for MBEs	x
Provide management and technical assistance to MBEs	x
Establish business resource centers through joint ventures	x
Arrange delegations to participate in trade missions	x
Create franchise opportunities for MBEs	x
Create opportunities for MBEs through aquisitions, mergers	x
M. Minority owned business financing	**x**
Promote minority business lending with financial institutions	x
Arrange loan pre-qualification for MBEs	x

FY 1999 Obligations (in thousands)	48,325	20,379	31,047	174,786	11,915
International Trade Administration: Budget Accounts vs. Strategic Goals and Objectives	Trade Development	Market Access and Compliance	Import Administration	US & Foreign Commercial Service	Administration (applies to all)
Strategic Theme 1: Economic Infrastructure					
A. National Export Strategy	**x**	**x**		**x**	
TPCC	x	x		x	
Small/medium sized businesses	x	x		x	
B. Enforce U.S. Trade Laws		**x**	**x**		
Law enforcement			x		
Compliance monitoring		x			
C. BEMs and Major Projects	**x**	**x**		**x**	
Trade with BEMs	x			x	
Strategic Theme 2: Science/Technology/Information					
L. Export counseling through data	**x**	**x**		**x**	
Expand/Enrich ITA's information	x	x		x	
Broaden information distribution network	x	x		x	
Expand marketing activities	x			x	
Identification of trade agreements		x			
Update client contact and management systems	x	x		x	

FY 1999 Obligations (in thousands)	23,234	4,500	24,499
Bureau of Export Administration: Budget Accounts vs. Strategic Goals and Objectives	Export Enforcement	Mgmt and Policy Coordination	Export Administration
Strategic Theme 1: Economic Infrastructure			
D. Restructure export controls		**x**	**x**
Streamline and reform US export controls		x	x
Promote cooperation with independent states of FSU		x	x
Implement nation's encryption policy		x	x
Oversee implementation of CWC		x	x
E. Maintain enforcement programs	**x**	**x**	
Investigate criminal/administrative violations	x	x	
Prevent export control violations	x	x	
F. Transition of defense industries		**x**	**x**
Promote defense diversification		x	x
Strategic Theme 2: Science/Technology/Information			
M. Restructure export controls/defense industry transition		**x**	**x**
Implement nation's encryption export policy		x	x
Oversee implementation of CWC		x	x
Promote defense diversification		x	x

FY 1999 Obligations (in thousands)	160,200	24,000	9,100	500	10,500	79,279	84,800	29,590
Economic Development Administration: Budget Accounts vs. Strategic Goals and Objectives	EDAP-Public Works	EDAP-Planning	EDAP-Technical Assistance	EDAP-Research & Evaluation	EDAP-Trade Adjustment Assistance	EDAP-Economic Adjustment	EDAP-Defense Economic Adjustment	Salaries and Expenses (applies to all)
Strategic Theme I: Economic Infrastructure								
I. Establish/retain hi-tech enterprises	**x**					**x**	**x**	
Rebuild public infrastructure	x					x	x	
Overcome capital market gaps						x		
J. Distressed communities/Economic growth		**x**	**x**			**x**		
Promote comprehensive economic planning		x				x		
Provide technical assistance to evaluate strategies			x					
K. Information to assess problems			**x**	**x**	**x**	**x**		
Study economic development problems			x	x		x		
Provide technical assistance through colleges			x			x		
Aid firms injured by import competition					x	x		
Evaluate economic development tools			x	x				
Strategic Theme 2: Science/Technology/Information								
N. Rural and urban technology access	**x**	**x**	**x**			**x**		
Distressed communities plan		x	x			x		
Infrastructure necessary for technology-based economic development	x					x		
Technical assistance for technology-based development			x					
Strategic Theme 3: Resource and Asset Management and Stewardship								
F. Defense base conversions	**x**		**x**			**x**		
Design and implement strategies for adjusting to base closures	x		x			x		
Transform infrastructure facilities	x		x			x		
G. Natural disaster recovery	**x**	**x**	**x**			**x**		
Improve capacity for economic recovery	x	x	x			x		
H. Sustainable economic development	**x**	**x**	**x**			**x**		
Community development	x	x	x			x		
Brownfields	x	x	x			x		
Distressed communities b/c environ policies	x	x	x			x		

FY 1999 Obligations (in thousands)	23,418	17,394	5,622	1,959	5,308	0
Economics and Statistics Administration: Bureau of Economic Analysis and ESA's Headquarters: Budget Accounts vs. Strategic Goals and Objectives	National Economic Accounts	International Economic Accounts	Regional Economic Accounts	Analysis & dissemination/data on Econ Trends	Policy Support	ESA Revolving Fund
Strategic Theme 1: Economic Infrastructure						
G. Strengthen public understanding of economy	**x**	**x**	**x**	**x**		
New, improved measures of real GDP and prices	x	x	x	x		
Updated measures of investment, savings, wealth	x	x	x	x		
Improved measures of int'l trade	x	x	x	x		
Strategic Theme 2: Science/Technology/Information						
I. Provide GDP and statistics in best possible way	**x**	**x**	**x**	**x**		
Reduce respondent burden		x				
Increase accuracy, reliability and timeliness	x	x	x	x		
Internet and other electronic gateways	x	x	x	x		
K. Economic information					**x**	**x**
Information on economic events					x	
Focal point for data dissemination						x

Appendix 3

Crosscutting Activities (by Bureau) Between the Department of Commerce and Other Federal Agencies

The following table provides a sampling of the many interagency activities within which the Department of Commerce participates. This is by no means a comprehensive list nor does it prioritize interagency activities; instead this list represents an inventory of our activities. In FY 1998, the more thorough examination of interagency linkages will be a priority for the Department.

Department	Theme 1: Economic Infrastructure	Theme 2: Science/Technology/ Information	Theme 3: Resource and Asset Management and Stewardship
Agriculture	**BXA** • Short Supply Controls /EAA • National Defense Stockpile Market Impact Committee **EDA** • Rural Development Program • Timber Economic Adjustment Initiative **ITA** • TPCC **MBDA** • Minority Business Opportunity Committee **NIST** • MEP collaboration on forestry and food processing industries, and related agricultural extension issues **NOAA** • CENR (hazards) • Joint Agricultural Weather Facility (World and U.S. Agricultural Outlooks) • Satellite data (agricultural forecasts) **PTO** • Formulate proposals for intellectual property protection both at home and abroad (plant varieties)	**TA** • Grain inspection and measurements **NOAA** • Columbia River Basin study (flood forecasting) • CENR (global change, hazards, water) • Global Climate Data and Information System • Seasonal to Interannual climate forecasts	**EDA** • Office of Rural Development/ Supplemental public works grants • Agriculture Conservation and Stabilization Service/Flood-related technical assistance **NTIA** • Spectrum Mgmt. (IRAC) **NOAA** • Sea Grant (fisheries and aquaculture research) • Marine aquaculture research and promotion • National Ocean Partnership Program • CENR (environmental monitoring) • Coastal Zone Management (land-use planning, non-point source pollution) • Gulf of Mexico Hypoxia Task Force • Habitat restoration and protection • South Florida Ecosystem Restoration • Interagency Taxonomic Information System **PTO** • Intellectual property policy proposals

Department	Theme 1: Economic Infrastructure	Theme 2: Science/Technology/ Information	Theme 3: Resource and Asset Management and Stewardship
AID	**BXA** • Funding to countries of concern for purchase of controlled U.S. items **ITA** • TPCC **PTO** • International training and technical assistance for developing countries	**TA** • Standards-related training workshops **NOAA** • Famine warning: Satellite data, rainfall analysis • Seasonal to Interannual climate forecasts	**PTO** • Improve systems for effectively granting and protecting intellectual property rights **NOAA** • International Coral Reef Initiative
ACDA	**BXA** • Export license application review, consultation, and dispute resolution/EAA • Multilateral Regime Participation/EAA • Implementation of CWC • Negotiation of BWC Protocol		

Department	Theme 1: Economic Infrastructure	Theme 2: Science/Technology/ Information	Theme 3: Resource and Asset Management and Stewardship
Defense	**BXA** • Export license application review, consultation, and dispute resolution/EAA • Multilateral Regime Participation/ EAA • Export Control Policy Development/EAA • Export Control Cooperation with foreign governments • Intelligence Liaison • Critical Infrastructure Protection Initiative • Encryption export license application review, consultation and dispute resolution • Encryption Policy Development • Defense Industrial Base Assessments • Excess Defense Articles review • Implementation of CWC • Negotiations of BWC Protocol • Defense Diversification • Offsets in Defense Trade/TPCC • Review of Defense Memoranda of Understanding • National Defense Stockpile Market Impact Committee **EDA** • Military Base Closures/Defense contract reductions/Downsizing • Research and national technical assistance **ITA** • TPCC **NOAA** • Polar satellite convergence • Defense Department satellite data • NEXRAD (weather radar) • ASOS (weather observations) • U.S. Weather Research Program • Marine Observing Network • Civilian applications of Global Positioning System • Hydrological Monitoring • Advanced Hydrologic Prediction System (flood forecasting) **TA** • PNGV (non budget)	**TA** • Measurement and standards activities for all branches of the military • ATP Source Evaluation Board **NOAA** • Columbia River Basin study (flood forecasting) • California project(flood forecasting) • CENR (global change) • Global Climate Data and Information System • HPCC **NTIA** • Telecom Research	**EDA** • Military Base Closures/Defense contract reductions/Downsizing • Levee Restoration program **NOAA** • National Undersea Research Program • Protected species management • conservation program • National Ocean Partnership Program • South Florida Ecosystem Restoration • Living marine resources habitat protection • Radio frequency management (with NTIA) **NTIA** • Spectrum Mgmt. (IRAC) **PTO** • Handling patent applications having national security implications Coastal habitat restoration and

Department	Theme 1: Economic Infrastructure	Theme 2: Science/Technology/ Information	Theme 3: Resource and Asset Management and Stewardship
Education	**NTIA** • Universal Service, Internet use in schools, libraries	**NOAA** • GLOBE • HPCC	**NTIA** • Spectrum Mgmt. (IRAC)
Energy	**BXA** • Export Control Cooperation with foreign governments • Enforcement cooperation and support • Export license application review, consultation, and dispute resolution/EAA • Multilateral Regime Participation/EAA • Export Control Policy Development/ EAA • Implementation of the CWC • Negotiation of BWC Protocol • Defense Diversification • International Cooperative License/EAA **EDA** • Energy Realignment-Federal Lab closures and downsizing **ITA** • TPCC **NOAA** • CENR (hazards) **TA** • PNGV (budget)	**EDA** • Convert Energy labs to support civilian technology enterprise **TA** • Measurement and standards activities • ATP Source Evaluation Board **NOAA** • Greenhouse gas emissions studies and assessments • CENR (global change, hazards) • Data storage • Global Climate Data and Information System • HPCC • Seasonal to Interannual climate forecasts	**NOAA** • Living marine resources habitat conservation program • Anadromous fisheries programs • CENR (environmental monitoring) • Radio frequency management (with NTIA) **NTIA** • Spectrum Mgmt. (IRAC) **PTO** • Handling patent applications having national security implications

Department	Theme 1: Economic Infrastructure	Theme 2: Science/Technology/ Information	Theme 3: Resource and Asset Management and Stewardship
EPA	**EDA** • Brownfields Initiative **ITA** • TPCC **TA** • Collaboration with MEP on environmentally conscious manufacturing • PNGV (budgeted) **NOAA** • Global ecosystem datasets	**TA** • Measurement and standards activities **NOAA** • CENR (global change) • National Acid Prediction Assessment Program • Atmospheric Integrated Research Monitoring Network • Assessment of CFC substitutes for ozone depletion potential • Global Climate Data and Information System • GLOBE • HPCC • North American Research Strategy for Troposphere ozone	**EDA** • Brownfields Initiative • Levee Restoration • Sustainable Development • Diversify resource-based economies **NOAA** • Living marine resources habitat conservation program • Protected species management • National Ocean Partnership Program • CENR (environmental monitoring) • Non-point source pollution control • Response to and remediation of hazardous materials spills • Coastal monitoring (water quality, contaminants, harmful algal blooms) **NTIA** • Spectrum Mgmt. (IRAC)
FCC	**NTIA** • Telecommunications Policy, Universal Service, Public Safety Communications, international conferences		**NOAA** • Radio frequency management (with NTIA) **NTIA** • Spectrum Mgmt. (IRAC), COMSAT Oversight

Department	Theme 1: Economic Infrastructure	Theme 2: Science/Technology/ Information	Theme 3: Resource and Asset Management and Stewardship
FEMA	**BXA** • National Security Emergency Preparedness/Defense Priorities and Allocations Systems • NATO Civil Emergency Planning Coordinating Committee • National Defense Stockpile Market Impact Committee • Critical Infrastructure Protection Initiative **EDA** • Post Disaster Economic Recovery Program **NOAA** • CENR (hazards) • Shoreline mapping, hazard mitigation planning • Emergency management training and outreach • External weather warning coordination	**TA** • Agreements for measurement and standards research and services **NOAA** • CENR (hazards) • Seasonal to Interannual climate forecasting (extreme events)	**EDA** • Post Disaster Economic Recovery and mitigation planning **NOAA** • Coastal Zone Management (land-use planning and risk evaluation) • Radio frequency management
GPO		**PTO** • GPO replicates CD-ROM products, makes them available to the federal depository libraries who choose to receive them	
GSA		**TA** • Agreements for measurement and standards research and services	**NTIA** • Spectrum Mgmt. (IRAC)

Department	Theme 1: Economic Infrastructure	Theme 2: Science/Technology/ Information	Theme 3: Resource and Asset Management and Stewardship
HHS	**BXA** • National Defense Stockpile Market Impact Committee **NOAA** • CENR (hazards) **NTIA** local planning-coordinated delivery of • Telemedicine Policy Development	**TA** • Agreements for measurement and standards research and services • ATP Source Evaluation Board (w/NIH) **NOAA** • CENR (global change, hazards) • HPCC	**NOAA** • CENR (harmful algal blooms, endocrine disruptors) **NTIA** • Spectrum Mgmt. (IRAC) **PTO** • Handling both AIDs-related inventions/information and recombinant DNA information
HUD	**EDA** • Post Disaster Economic Recovery Program • Community Development Block Grants program **NOAA** • CENR (hazards)	**TA** • Agreements for measurement research in identifying building lead content and abatement techniques **NOAA** • CENR (hazards)	**NTIA** • Spectrum Mgmt. (IRAC)

Department	Theme 1: Economic Infrastructure	Theme 2: Science/Technology/ Information	Theme 3: Resource and Asset Management and Stewardship
Interior	**ITA** • TPCC **BXA** • Short Supply Controls /EAA • National Defense Stockpile Market Impact Committee **NOAA** • FGDC (data standards) • Spatial reference system and geodetic control • Satellite data • CENR (hazards) • Hydrological (flood) monitoring and forecasting • Seasonal to Interannual climate forecasts • Volcanic ash monitoring • Advanced Hydrological Prediction System • Fire weather • Stream gauging	**TA** • Agreements for measurement and standards research **NOAA** • Tsunami Network (coastal hazard warning system) • Columbia River basin study (flood forecasting) • Watershed and River System Management program, Yakima Basin • FGDC (data standards) • CENR (global change, hazards, water) • Satellite data (archive) • Global Climate Data and Information System	**NOAA** • Protected species management (marine mammal programs & endangered species conservation and management) • Living marine resources habitat conservation program • Aquaculture development • South Florida Ecosystem Restoration • CENR (environmental monitoring) • U.S. Coral Reef Initiative • Radio frequency management (with NTIA) • Interagency Taxonomic Information System **NTIA** • Spectrum Mgmt. (IRAC)
Justice	**BXA** • Encryption Export License application review, consultations, and dispute resolution • Encryption Policy Development • Defense Priorities and Allocations • Law enforcement cooperation (FBI, INS) • Intelligence liaison • Critical Infrastructure Protection Initiative **NTIA** • Telecommunications Policy Issues	**TA** • Agreements for measurement and standards research and services	**NOAA** • Marine fisheries enforcement program **NTIA** • Spectrum Mgmt. (IRAC) **PTO** • Formulate intellectual property policy proposals.

Department	Theme 1: Economic Infrastructure	Theme 2: Science/Technology/ Information	Theme 3: Resource and Asset Management and Stewardship
Labor	**EDA** • Economic development based on local planning **ESA** • Price and Output Working Group • Economic Classification and Policy Committee • Working Group on Compensation Measurement • NAICS Implementation • Interagency Confidentiality and Data Access Group **ITA** • TPCC **NIST** • Labor Participation in Workplace Modernization Pilot Project		**NTIA** • Spectrum Mgmt. (IRAC)
NASA	**BXA** • Export control policy development/EAA • International Cooperative Licenses **NOAA** • Polar satellite convergence • FGDC (data standards) • CENR (hazards) • GPSmet satellite • Space weather forecasting • Space launch forecasts • U.S. Weather Research Program **NTIA** • PEACESAT **TA** • PNGV (non budget)	**TA** • Agreements for measurement and standards research and services **NOAA** • EOSDIS (interoperability, archive) • Pathfinder (data reprocessing) • Satellite data • CENR (global change, hazards) • EOS Missions and instruments (SeaWiFS, TRMM, NSCAT) • Global Change Data and Information System • Seasonal to Interannual climate forecasts • GLOBE • HPCC	**NOAA** • National Ocean Partnership Program • Radio frequency management (with NTIA) **NTIA** • Spectrum Mgmt. (IRAC) **PTO** • Handling patent applications having national security implications

Department	Theme 1: Economic Infrastructure	Theme 2: Science/Technology/ Information	Theme 3: Resource and Asset Management and Stewardship
NSF	**NOAA** • CENR (hazards) • GPSmet satellite • U.S. Weather Research Program **NTIA** • Internet issues **PTO** • Domain Name Dispute Resolution - for developing acceptable legal and procedural regimes for settlement of trademark domain name disputes **TA** • PNGV (budget)	**TA** • Agreements for measurement research and services • ATP Source Evaluation Board **NOAA** • CENR (global change, hazards) • University Corporation for Atmospheric Research • GLOBE • Global Climate Data and Information System • HPCC **PTO** • Report to the President on Science and Engineering Indicators. Reports on patenting trends in the U.S. by Standard Industrial Code, foreign country and technological activities, and university patenting activity.	**NOAA** • National Undersea Reserch Program • Fisheries stock assessment programs, fisheries science program • National Ocean Partnership Program • Harmful algal blooms • CENR (environmental monitoring) • Radio frequency management (with NTIA) • Sea Grant
OMB	**BXA** • National Defense Stockpile Market Impact Committee • Critical Infrastructure Protection Initiative **ESA** • Economic Classification and Policy Committee • Federal Committee on Statistical Methodology • Interagency Council on Statistical Policy		
OPM			

Department	Theme 1: Economic Infrastructure	Theme 2: Science/Technology/ Information	Theme 3: Resource and Asset Management and Stewardship
SBA	**BXA** • Export Control Seminars • Defense Diversification **EDA** • Post Disaster Economic Recovery **ITA** • TPCC **MBDA** • Minority Enterprise Week **NOAA** • Small Business Initiative Research Program		

Department	Theme 1: Economic Infrastructure	Theme 2: Science/Technology/ Information	Theme 3: Resource and Asset Management and Stewardship
State	**BXA** • Export License application review, consultations and dispute Resolution/EAA • Commodity Jurisdiction Review and Transfers • Multilateral Regime Participation/EAA • Implementation of CWC • Negotiation of BWC Protocol • National Defense Stockpile/ Strategic and Critical Materials Stockpiling Act of 1979 • National Defense Stockpile Market Impact Committee • NATO Industrial Planning Committee • Defense Diversification • Discussion of Boycott requests and other boycott issues at monthly interagency meetings • Export Control Policy Development/EAA • Sanction Policy/EAA • Export Control Cooperation with foreign governments • Intelligence Liaison **ITA** • TPCC **NTIA** • International forums on telecommunications policy (ITU, WTO, OECD, ASEAN, etc.)	**TA** • Coordination in the area of measurements and standards for international trade **NOAA** • CENR (global change) • International science and technology agreements • GLOBE • Global Climate Data and Information System	**NTIA** • Spectrum Mgmt. (IRAC), COMSAT Oversight **NOAA** • Protected species management (marine mammal programs & endangered species conservation and management) • International fishery management programs • US Coral Reef Initiative • Land-based sources of marine pollution • Radio frequency management (with NTIA) **PTO** • Formulate intellectual property policy proposals.

Department	Theme 1: Economic Infrastructure	Theme 2: Science/Technology/ Information	Theme 3: Resource and Asset Management and Stewardship
State cont'd	**NOAA** • Satellite and data policy **PTO** • Protection of intellectual property both at home and abroad. • Improve international standards for the protection of intellectual property		
Transportation	**BXA** • Coordination on DOT license shipments **EDA** • Economic Development District--Review of overall Economic Development Program **ESA** • Transportation Satellite Accounts Team • Highway Statistics Steering Committee **ITA** • TPCC **NOAA** • Nautical and aeronautical charting • CENR (hazards) • FGDC (data standards) • ASOS (environmental monitoring for meteorology and airplane flight safety) • FSL (forecast workstation development) • Volcanic ash monitoring • NEXRAD (weather radar) • GPSmet satellite **TA** • PNGV (budget)	**TA** • Agreements for measurement and standards research and services **NOAA** • CENR (hazards) **NTIA** • Telecommunications Research (smart vehicles, next gen radar for FAA, etc.)	**EDA** • Supplemental Grants from FHA **NOAA** • Living marine resources habitat conservation program • Response to hazardous materials spills • National Marine Sanctuaries (vessel traffic, enforcement) • National Invasive Species Act • Radio frequency management (with NTIA) **NTIA** • Spectrum Mgmt. (IRAC)

Department	Theme 1: Economic Infrastructure	Theme 2: Science/Technology/ Information	Theme 3: Resource and Asset Management and Stewardship
Treasury	**BXA** • Committee on Foreign Investment in the United States • National Defense Stockpile Market Impact Committee • Sanction Policy/EAA • Export Compliance Seminars • Discussion of Boycott requests and related Boycott issues at monthly interagency meetings • Customs: domestic and foreign cooperative investigations • Foreign Asset Controls • Information exchanges **ESA** • Improving surveys of international investment • Improving source data on property incomes • NAICS implementation **ITA** • TPCC • Customs: Enforce U.S. trade laws	**TA** • Agreements for measurement and standards research and services in computer security and electronic data transfers **PTO** • Provide CD-ROMs of trademark information to Customs.	**NTIA** • Spectrum Mgmt. (IRAC) **PTO** • US Customs Service regarding counterfeit goods or services
USTR	**ITA** • TPCC **PTO** • Protection of intellectual property both at home and abroad • Participate in efforts to improve international standards for the protection of intellectual property	**TA** • Coordination in the area of measurements and standards for international trade	**PTO** • Formulate intellectual property policy proposals • PTO advises USTR on foreign unfair trade practices for intellectual property (Section 301)

Department	Theme 1: Economic Infrastructure	Theme 2: Science/Technology/ Information	Theme 3: Resource and Asset Management and Stewardship
VA		**NOAA** • HPCC **TA** • Agreements for research in hearing aid metrology and performance improvements	

Acronyms:

ASOS	Automated Surface Observing System
ATP	Advanced Technology Program
CENR	Committee on Environment and Natural Resources
CFC	chlorofluorocarbons
EAA	Export Enforcement Act
EOS	Earth Observing System
EOSDIS	Earth Observing System Data and Information System
FGDC	Federal Geographic Data Committee
GLOBE	Global Learning and Observations to Benefit the Environment
GPS	Global Positioning System
HPCC	High Performance Computing and Communications
IRAC	Interagency Radio Advisory Committee
ITIS	Interagency Taxonomic Information System
MEP	Manufacturing Extension Program
NEXRAD	Next Generation Weather Radar
NOAA	National Oceanic and Atmospheric Administration
NSCAT	NASA Scatterometer
PNGV	Partnership for a New Generation of Vehicles
OES	Office of Enforcement Support
SBIR	Small Business Innovation Research
SeaWiFS	Sea-viewing Wide Field-of-view Sensor
TPCC	Trade Promotion Coordinating Committee
TRMM	Tropical Rainfall Measuring Mission

APPENDIX 4
INFORMATION REQUIRED ON ADDITIONAL TOPICS

A. STAKEHOLDER AND CONGRESSIONAL CONSULTATION

Introduction

In preparation for implementing the Strategic Plan for FY 1999, Commerce took steps to consult with stakeholders regarding the policies, goals, and objectives in the Plan. (Commerce defines "stakeholders" to include professional associations, industry groups, universities, researchers, other public agencies (including the Congress), and segments of the general public.)

Section 306(d) of GPRA states: "When developing a strategic plan, the agency shall consult with the Congress, and shall solicit and consider the views and suggestions of those entities potentially affected by or interested in such a plan". The language in this Section suggests that Congress is to be considered as a unique stakeholder, to be addressed through separate consultations. We intend to continue to consult with Congress on a regular basis.

Programs of the Department of Commerce provide services in every State and all major communities. We work with national organizations, trade groups, universities, private industries, and State and local governments across the country. Commerce programs recognize the importance of being in constant touch with their stakeholder groups as an ongoing aspect of program management and implementation. Commerce consciously reaches out to its communities of interest because of our mutual interest in seeing programs succeed in their missions. For example:

- the processing of patent and trademark applications is most successful when the intellectual property community identifies new areas for improvement;

- census data are most accurate and useful when the statistical community helps fine-tune our information gathering and analyzing processes;

- our support of the Nation's international trading activities are most effective when we focus our efforts in areas of support most needed by American business and industry;

- our scientific and technology development efforts are most beneficial to the Nation when the R&D community helps prioritize areas of emerging need;

- our weather forecasting programs are best at protecting life and property when we work with local industry and navigation experts; and

- publicly-oriented programs, and our fee-funded activities, have established 1-800 telephone services, fax services, walk-in offices for providing hands-on help, and electronic means of providing information to our customers (including World Wide Web sites and CD-ROM technologies).

Most Commerce bureaus already have specific goals and objectives, articulated during the years preceding the development of the Plan, and these provided a focal point for supplementary discussions in response to GPRA's consultation requirement. The existence of these goals and objectives gave Commerce bureaus a head start in the strategic planning process and simplified the stakeholder consultation process -- in many instances, it was possible to re-examine and revalidate/modify goals and objectives that had already been established through stakeholder input, rather than to embark on the difficult process of establishing them from scratch. To develop additional goals and objectives for the Strategic Plan, bureaus began by relying on their already-established communication processes with stakeholders and conducted additional consultations as needed.

The Commerce approach to stakeholder consultation is open and ongoing. Commerce bureaus must be prepared to accept stakeholder input at any time during the year, and to apply it as appropriate in the ongoing management of Commerce programs. Thus stakeholder comments will be accepted by Commerce bureaus even after any one iteration of the Strategic Plan is prepared, and will be considered for incorporating into subsequent versions.

Commerce bureaus and portions of the Office of the Secretary work closely with several Committees of the House and Senate, and we include Congress among our major stakeholders. Although some of this contact revolves around specific annual events (appropriations hearings, oversight hearings, etc.), there is a significant amount of discussion of policy and program issues on an ongoing basis throughout the year. This constant dialogue clearly preceded the passage of GPRA, and it most certainly will continue into the future. The following section of this report summarizes bureau activities with stakeholders.

Department-Wide Stakeholder Consultation Activities

Representatives of the Office of the Secretary had three meetings with Congressional staff (from the House Commerce, Science, and Budget Committees) in the Spring of 1997, regarding drafts of the Commerce Strategic Plan. Congressional staff made a number of comments on the drafts, which Commerce addressed within the final Plan to the extent possible or to which Commerce responded separately.

For the purposes of GPRA and the Strategic Plan, most of Commerce's consultation process has focused on the bureau level, since it is bureau programs at the national and local levels that provide the most opportunity for involvement with stakeholder groups. Bureau stakeholder consultations, in which bureaus contacted hundreds of stakeholder individuals and groups, were described in a report to House Commerce Committee staff in June, 1997. Department-wide activities for stakeholder consultation have included:

- providing leadership in drafting the Commerce Strategic Plan and in providing stakeholder consultation guidance to bureaus;
- posting the Strategic Plan in two places on the Commerce Department's World Wide Web site, allowing for public access and review. (An initial review of Web Site inquiries reveals that the Plan has been reviewed from as far away as the national government in Brazil.); and
- hosting an "Open House" consultation session in the main Commerce Department building on May 21 and encouraging bureaus to invite stakeholders with Secretary-level or inter-bureau comments to attend that session.

As a result of these Departmentwide activities, all bureaus have either newly engaged in stakeholder consultation or have included a focus on strategic planning, and goals and objectives, in their ongoing consultation processes with stakeholders.

Summary of Bureau-Level Stakeholder Consultations

All bureaus conducted stakeholder consultations and supported the Department-wide effort, which included an "Open House" session. Some substantive comments were received and assessed for inclusion in the Strategic Plan. Most bureaus are in ongoing contact with stakeholders.

NOAA contacted 158 individuals and stakeholder groups. NOAA staff and stakeholders also participated in the Department's "Open House" consultation session. Comments made by NOAA stakeholders were included in the Strategic Plan.

NTIA worked with TIIAP grantees and groups including the Interdepartment Radio Advisory Committee to receive comments. NTIA also consulted with private companies and telecommunications organizations, and conducted an open forum.

BXA used its technical advisory committees and its ongoing dialogue with private sector groups to gather feedback on policy, technical, and regulatory issues. Feedback on new/emerging legislative mandates was targeted specifically.

EDA used its network of 320 Economic Development Districts, 69 University Centers, 64

Indian Tribes and organizations, and 12 Trade Adjustment Assistance Centers, as well as specific regional office conferences, to receive feedback.

TA/NIST used the Visiting Committee on Advanced Technology (VCAT) and the National Research Council's Board of Assessment (NRC/BA) as key stakeholder groups, which in turn contacted more than 100 individuals and organizations. NIST used the Internet to communicate actively with stakeholders.

TA/NTIS's Office of Customer Service and statutory Advisory Board receives stakeholder input regularly, and it was provided for this activity.

MBDA used the Minority Business Opportunity Committee network, Minority Business Advocacy Organizations, and recognized individual business leaders as their stakeholders, to gather input for the Strategic plan.

PTO had consultation sessions with groups including: Inventor's Network; Intellectual Property Owners, Inc.; American Intellectual Property Law Association; International Trademark Association; the Coalition for Patent Information Dissemination, and; the Network of Patent and Trademark Depository Libraries.

ESA/BEA used issues of their *Survey of Current Business* periodical and a meeting of the National Conference on the Economic Accounts to gather stakeholder information.

ESA/Census consulted with groups including the American Statistical Association, the American Economic Association, the American Marketing Association, and the Population Association of America in developing its input for the Strategic Plan.

ITA contacted scores of individual companies and trade groups to gather input for the Strategic Plan. The multiplier effect of trade groups brought hundreds of individual companies into the consultation process. ITA also used groups such as the Trade Promotion Coordinating Committee (TPCC) to provide public sector input.

B. USE OF PROGRAM EVALUATIONS IN SELECTING PERFORMANCE MEASURES

In preparing to create the Strategic Plan and this Annual Performance Plan, Commerce bureaus undertook a comprehensive inventory of programs to identify and describe strategic goals, operational and measurable objectives, and (for the FY 1999 budget) specific performance measures that can be used to determine annual progress in meeting those objectives. All Commerce programs operate under legislation or Executive Orders that included specific mandates, and in setting goals and objectives, Commerce officials looked to those foundations as the principal source of items that were important to measure. Many Commerce programs have used performance measurements for some time, as management tools yielding vital guidance on program impact, but all programs are preparing to do so now, in support of GPRA's implementation. The challenge in selecting performance measures is to develop a balanced set of output ("how many") and outcome ("what result") measures that address the relatively few key indicators that can illuminate program accomplishments.

Program evaluations, as cited in the GPRA legislation, are one tool that can be used both in selecting useful performance measures and in ensuring that the selected measures are valid. Commerce bureaus relying on evaluations in their ongoing activities have been able to draw on these existing approaches in constructing this Strategic Plan and in developing performance measures for it. The larger Commerce bureaus are more able to support specific staff with ongoing evaluation responsibilities, while bureaus lacking this staff (but still recognizing the importance of evaluations) find other ways to gather and use evaluation information, including contract evaluations or evaluations of specific programs or projects. As appropriate, bureaus make use of evaluation studies by the Congressional Budget Office, the Office of the Secretary, the Office of Inspector General, and program-oriented organizations (such as the TPCC, in the case of ITA and BXA) in making management decisions.

Commerce also uses ongoing activities, such as the Office of Inspector General's inspections and audits and other audits conducted under the CFO Act. Stakeholder feedback is another source of evalua-

tion information that bureaus can use in selecting performance measures. For example: NOAA conducts annual stakeholder workshops to solicit constituent input to its strategic planning and budget formulation process; NTIA received agreement on its goals from the Interdepartment Radio Advisory Committee; BXA has placed a greater emphasis on the national security aspects of their functions; EDA's regional offices sponsored conferences that resulted in clarified terminology of performance measures; PTO stakeholders (including the American Intellectual Property Law Association, and others) led PTO to emphasize more clearly its direct contribution to the Nation's economy; and ITA stakeholders suggested an even greater emphasis on helping new-to-export firms. These and other stakeholder comments were used in establishing the Commerce Strategic Plan's goals, strategies, objectives, and performance measures.

With the benefit of program evaluations already clear, Commerce bureaus are developing plans for future program evaluations.

Examples of the current and ongoing bureau-specific and often independent evaluations of our activities include:

■ NIST's programs are evaluated generally by its legislatively mandated Visiting Committee on Advanced Technology, which meets regularly with NIST management to review developments in each main program area. In addition, NIST's Measurements and Standards Laboratories are evaluated annually by National Research Council (NRC) expert peer-review panels assessing each laboratory's performance. The new National Advisory Board of the Manufacturing Extension Partnership program will be a similar peer-review activity to assess MEP programs. NIST is having discussions with the National Research Council about establishing a panel to review the ATP. In the interim, NIST VCAT provides oversight for the ATP. NIST's National Quality Program (NQP) has its performance evaluated by its Board of Overseers, a federal advisory panel to the Secretary of Commerce. Other annual reviews of NQP are provided by the Panel of Judges and the Foundation for the Malcolm Baldrige National Quality Award.

■ As one of the Federal government's early leaders in outcome-oriented management, NOAA follows a rigorous and ongoing approach to evaluation. The close link between evaluations, goal setting, and program measuring was one reason why NOAA's GPRA Pilot Project was identified as among the 10 best out of 70+ projects developed.

■ NOAA is considering the design of an agency-wide performance evaluation process linked to its internal strategic plan, which will review progress made towards achieving each of NOAA's seven strategic goals. This evaluation process will enable NOAA's senior management to evaluate and document the progress and value of work undertaken to meet the objectives under each strategic planning goal. The performance evaluation will stress relevance, effectiveness, and impact, as compared with the more traditional, monitoring-type focus on compliance, efficiency, and work measures. The evaluations will provide agency leaders with the necessary information to set priorities, make resource allocations, and improve NOAA's ability to meet its vision.

■ In addition, NOAA's annual strategic planning and budgeting process provides for the development of operating plans and regular reviews of the work accomplished under these plans. Work requirements outlined in a previous year's plans are adjusted to be consistent with funding made available through Congressional appropriations. Managers report on progress at quarterly reviews, and adjustments are made to help ensure that any missed milestones are accomplished. In addition, NOAA's strategic planning teams participate in the 4th Quarter review by providing an independent assessment of how well the agency addressed overall strategic objectives.

■ NOAA has conducted a far-reaching evaluation of its Weather Service Modernization program, including technology, program direction, and resource needs, and has used the results both in selecting performance measures and making management decisions supporting the Strategic Plan.

■ NOAA is taking into consideration the results of NRC reports of their nautical charting mission in an effort to focus the direction to be taken in meeting the needs of the navigational community, responsible for moving billions of goods across the Nation and around the world every year. NOAA has also completed a review of its science enterprise, specif-

ically within the context of the Strategic Plan, which examines such topics as the adequacy of identifying and linking science goals, and evaluating the effectiveness of linkages with external partners.

■ NOAA has formulated its climate change programs to respond to NRC evaluations, which help identify basic needs and guide future activities.

■ EDA developed a comprehensive program performance measurement system to gather performance data on projects approved after October 1, 1996. To complement this system, EDA is conducting a retroactive evaluation of its infrastructure investments and defense adjustment programs. EDA granted an award to a consortium led by Rutgers University to analyze the economic impacts that result from these programs. The Rutgers study demonstrated robust program performance and impact.

■ A consortium led by the University of Michigan is evaluating the impact of EDA's small business incubator programs on local economies. EDA is studying the disaster assistance after the Midwest Flood of 1993, to assess whether communities had a better chance to enhance their economic recovery beyond their immediate emergency needs. EDA is also supporting a peer review of University Centers, developing performance measures for them, and gathering performance data under those measures.

C. USE OF CONTRACTORS

As a Department, Commerce has not used non-Federal parties in the development of either the Strategic Plan or the Annual Performance Plan. Some bureaus have relied on outside sources for help in specific areas, as described in the section above regarding program evaluations. Some bureaus have used outside sources to provide ideas and information, as permitted under the GPRA statute and OMB Circular A-11. No bureau used outside assistance to supplant its statutorily specified activities for developing the Commerce Strategic Plan.

D. ADMINISTRATIVE WAIVERS REQUESTED

None

APPENDIX 5
MEETING MAJOR MANAGEMENT CHALLENGES

INTRODUCTION

The purposes of the Commerce Strategic Plan and the Annual Performance Plan are: to focus attention on our program missions, to explain their importance, and to make clear how we are pursuing our responsibilities under them. At the same time, we are mindful -- every day -- of the complex management challenges that must be met in designing and implementing programs that are national or worldwide in scope.

Under the leadership of Secretary Daley, the Department has been making substantial progress on a wide range of management improvements. The Secretary has established a management approach that demands increased accountability, improved service and better information for management decisions. The Department has also made substantial progress in addressing management concerns raised by the Inspector General. *In fact, the Inspector General dropped four of the top ten concerns from his original list and modified his characterization of others because of the progress the Department has made.*

Over the past several months, we have established a comprehensive and specific management agenda that is intended to guide our progress in resolving management issues and establishing effective operations. The agenda has been discussed among members of the Executive Management Team (EMT), comprising the top leadership of each bureau and senior department officials. The agenda has also been shared with the offices and staff responsible for accomplishing its objectives. We have set a tone that is persuading Congress and the public that integrity and professionalism are the hallmarks of business at Commerce. We are also on track toward seeing a complete replacement of the original ten concerns raised by the Inspector General.

SETTING THE STAGE FOR EFFECTIVE MANAGEMENT

Overall Management Agenda

Under Secretary Daley's leadership, the Department assembled a new management team that is committed to ensuring that Commerce offers key leadership on the economic issues that are driving our economy forward: trade, technology, information analysis and management, and sustainable development. Following the Secretary's direction, the team is responsible for providing accountability and results-oriented management over the Department's eleven bureaus, 33,000 employees, and $4.9 billion budget. This team is executing Secretary Daley's overall management agenda which includes:

- Effective, efficient management;

- Working closely with executive leadership of the bureaus and the Inspector General to develop, refine, and implement the Department's management strategies;

- Operating high-quality programs and ensuring accountability for results;

- Meeting customer needs -- from the most visible to the least controversial programs;

- Asking the Department's senior managers to demonstrate their program accomplishments and to expect the same accountability from those who work for them;

- Using the Department's budget cycle to integrate a wide range of management tools, including the information technology planning required by the Clinger-Cohen Act, procurement reform processes, and the performance measurement requirements of GPRA;

■ Offering the American taxpayers a solid return on their investment -- without waste, without misuse, and without regard to considerations that are extraneous to the Department's mission; and

■ Bringing a fresh and intensive perspective to specific areas that have been subject to criticism or concern to ensure that our programs work efficiently and openly in achieving their intended public policy objectives.

Secretary's Management Review

At Secretary Daley's direction, Price Waterhouse & Company completed a major review of Departmental management and compared the Department's practices with those of well-run public and private organizations. The report presented 46 findings about organizational performance and management at the Department and identified four areas holding the highest potential for change: (a) direction and leadership, (b) roles and responsibilities, (c) management processes, and (d) the Secretary's support systems.

In late November, Secretary Daley discussed the report with the EMT. The Secretary charged Deputy Secretary Mallett with overseeing implementation of the recommendations, including 14 that cut across the Department. EMT members were tasked with specific responsibilities to be completed during the course of FY 1998. Examples of these actions include developing a clearance and approval process for decentralized functions in the Department that require Department-wide coordination and requiring every Secretarial Officer to prepare concise operational plans.

Additional Management Tools

Secretary Daley is also using the Department's Strategic Plan for FY 1997 to FY 2002 and the Strategic Plan for the Chief Financial Officer and Assistant Secretary for Administration (CFO/ASA) as vehicles for management oversight, guidance, and tracking. The Commerce Strategic Plan presents the strategic framework under which the Department carries out its three major mission areas: Economic Infrastructure; Science, Technology, and Information; and Stewardship of Resources and Assets. The CFO/ASA strategic plan embraces seven cross-cutting components to ensure accountability for the use of corporate assets (such as money, time and equipment); guiding the policy-making process from a management perspective; helping bureaus serve their customers; and providing effective and efficient service to CFO/ASA customers.

During his confirmation hearing, Secretary Daley promised to reduce the number of political positions at the Department by 100. At the end of January 1998, the Department had reduced the number of political appointees to 143 -- a reduction of 113 below the Department's ceiling of 256. Concurrently, the Secretary increased the number of career civil servants operating in senior management positions.

MAJOR ACCOMPLISHMENTS

At Secretary Daley's direction, the Department has restructured, or is in the process of restructuring, about a dozen of its most significant programs. In managing the change process in each of these areas, the Department:

■ Set forth specific guidance for reviewing program goals, accomplishments, issues, and opportunities;

■ Checked with stakeholders about their concerns; and

■ Assembled informed and effective teams comprising all pertinent Commerce parties.

Short-term, highly-focused reviews were one of the vehicles used by Secretary Daley to improve areas of specific concern. These reviews addressed: (a) the Department's trade missions program, (b) the Minority Business Development Agency, and (c) the Department's security program.

Trade Missions

This review, following on one of Secretary Daley's promises at his confirmation hearing, strengthened the Department's trade missions policy and publicized guidelines to ensure that merit will be the deciding -- and only -- factor in the selection of business participants. Under the new policy, there

is: (a) full transparency, including public announcements about the rationale and objectives for each mission; (b) mandatory broad outreach to potential participants and selection according to published criteria; and (c) a prohibition against the consideration of political activities.

Under these new guidelines, Secretary Daley took nearly 100 U.S. executives on missions to Latin America, Canada, India, and Turkey. While results often take time to see, American businesses are already reaping the benefits of these missions. In India, for instance, the agreements, when finalized, amounted to over $1 billion. And in Turkey, the Department witnessed the signing of a power plant privatization joint venture agreement.

Minority Business Development Agency

Secretary Daley ordered a study of management practices of MBDA, producing recommendations that will improve the agency's focus on its mission to promote business and economic development for America's racial and ethnic minorities. MBDA has begun to implement the 32 recommendations made in the review, including developing a strategic plan to employ a better management control structure, broadening programmatic emphasis, streamlining the discretionary grant-making process, leveling the organizational structure and staffing pattern, improving cooperation with the Small Business Administration and with State and local governments, and improving computer security.

The Department's Security Program

At Secretary Daley's request, the interagency Security Policy Review Board (SPRB) reviewed the Department's security program. The SPRB team documented deficiencies in several of the Department's security disciplines and provided numerous recommendations for improvements. As a result, the Department has taken steps to elevate security within the Department's organization, to centralize security personnel and operations, and to remedy the specific deficiencies identified in the review. The Department reduced the number of security clearances by more than 26% from 5,415 in August of 1997 to 3,978 in early February of 1998.

On February 9, 1998, Secretary Daley established a new career management position of Deputy Assistant Secretary for Security. A series of improvements will be undertaken, including the granting of new security clearances only under a strict "need to know" policy. The Department will also establish a centralized computer tracking system for all classified material inside the Commerce Department. The new system will use bar codes and computerized readers to track the movement and location of classified material through the Department.

As another vehicle for implementing program improvements, Secretary Daley directed that Department managers provide immediate and focused attention to addressing major concerns raised by the Department's Inspector General. The following five Inspector General concerns have been resolved:

Advanced Technology Program

The Advanced Technology Program (ATP) has been dropped from the Inspector General's areas of concern.

The ATP had been criticized by the Inspector General for: (a) not providing for the availability of funds through the life of projects, and (b) not ensuring that all awardees used an appropriate basis for claiming cost sharing in the case of transfers within a joint venture.

In addressing these concerns, the Department assembled, and provided guidance to, a focused review team. The team examined the Inspector General's specific issues as well as broader management concerns with program participation and unexercised potential for involving additional partners in the Department's efforts to promote significant advances in technology.

The Department developed a funding strategy for FY 1997 that:

- Ensured that all multi-year funding projects contained clearly defined quantitative technical milestones that are severable into annual increments of meaningful work;

- Implemented procedures for ensuring that applicants abide by Federal reimbursement practices;

■ Ensured that all prospective applicants are educated on the cost and accounting requirements for Federal financial assistance awards;

■ Arrived at a satisfactory approach with the Inspector General for dealing with questioned commercial pricing issues from recent IG audits;

■ Resolved, in cooperation with the Inspector General, individual audit issues and arrived at an acceptable basis for industry cost-sharing.

As a result of these and related actions, ATP and the Inspector General reached an agreement on a basis for claiming cost sharing in the case of transfers of computer software or equivalent items of value within a joint venture. This approach was codified in December 1997 in the *Federal Register* and applies to all future transfers of this kind and provides guidance for auditors who must ensure that matching fund claims are valid.

In addition to addressing the Inspector General's concerns, the Department took steps to manage the design and implementation of several important operational and policy changes that will improve the impact and cost-effectiveness of the ATP. These changes include:

■ Shifting program priorities to put more emphasis on joint-ventures, consortia, and small and medium-size single applications, while reducing emphasis on individual applications from large companies;

■ Increasing the cost-share ratio for large (Fortune 500) single applicant companies to 60 percent, which will provide additional incentives for large companies to participate in joint ventures, while maximizing small and medium-size company participation in the single applicant pool;

■ Working with the private sector venture capital community to: (a) ensure that ATP does not fund projects that can be wholly supported by private capital, and (b) provide a mechanism to transition successful, completed ATP projects by small companies to private-sector funding for further development and commercialization; and

■ Encouraging State involvement in the ATP.

NOAA Satellite Programs

The Department has taken steps to improve financial management of NOAA satellite programs to address OMB, IG, and Congressional concerns.

The Department and OMB required NOAA to institute regular financial reporting to ensure greater accountability in the use of resources in operating NOAA's satellite programs. These reports are the direct result of coordination between the Department, NOAA, and OMB to define and structure a quarterly report that documents spending. The report has improved the monitoring of NOAA's planned spending on the satellite programs and identifying surpluses, deficits, and other variations from planned spending.

NOAA Vessel Buyback Program

This issue has been dropped from the Inspector General's list of major concerns.

We took issue with the Inspector General's characterization of the program as too narrowly focused to be effective -- and, by implication, wasting of resources.

We articulated a clear rationale for the program, which is the result of a decision by Congress. Our characterization documents that the Buyback program was part of an overall economic assistance program of over $100 million, which included buybacks, Department of Labor funds for a training program, and both NOAA- and EDA-funded assistance. The Buyback program was integral to adoption of the management plans created by the Fisheries Council, which pulled together several efforts aimed at saving the fisheries.

The program has been completed. NOAA will provide a program evaluation by June 30, 1988.

NOAA Seafood Inspection Performance-Based Organization

This issue has been dropped from the Inspector General's list of major concerns.

The Inspector General noted that the proposal to convert the seafood inspection program to a

Performance-Based Organization (PBO) was premature and that alternatives to establishing a PBO -- such as movement to the Food and Drug Administration (FDA) -- had not been fully explored.

In June 1997, Secretary Daley approved the decision to pursue legislation with the FDA to transfer NOAA's seafood inspection program to the FDA as a PBO. Transfer would immediately centralize Federal seafood inspection responsibilities in a single agency, strengthen the program, and support the President's Food Safety Initiative goal of improving the safety of the Nation's food supply. The Department's seafood inspection program is relatively small and unrelated to NOAA's core mission which, with respect to fish, primarily involves resource management and conservation.

At Secretary Daley's direction, the Department has been working with the FDA, the Department of Health and Human Services, the National Partnership for Reinventing Government (formerly the National Performance Review), and the OMB on legislation to establish the program as a PBO and transfer it to the FDA. All pertinent parties have participated. We expect to complete the proposal during the current year and to address any Congressional requests.

National Technical Information Service as a Performance-Based Organization

This issue has been resolved.

The Inspector General noted that the proposal to establish the National Technical Information Service (NTIS) as a PBO was adversely affected by the lack of a clear mission and recent inability to generate sufficient revenues to support business operations.

The Department's Technology Administration withdrew NTIS as a PBO candidate. The National Partnership for Reinventing Government was appraised of the withdrawal.

PROGRESS ON CONCERNS NOT YET FULLY RESOLVED

The Department continues to make significant progress in resolving the following issues that were identified as major concerns by the Inspector General. These include:

National Weather Service Modernization

The Inspector General raised concerns that the Advanced Weather Interactive Processing System (AWIPS) has experienced serious difficulties -- continual cost growth, schedule delays, management instability, and sluggish technical progress.

At Secretary Daley's request, General Kelly completed a detailed evaluation of the National Weather Service budget and operations. General Kelly is a former director of the U.S. Air Force Weather Service and has more than 30 years experience in the field. Based on the review:

- The National Weather Service has begun implementing a series of management reforms designed to improve services and reduce costs;

- Terminated plans to close the Southern Regional Headquarters. The four regional offices in the continental United States are being retained, but at reduced staff levels. The Department is continuing to look at functions that support the field offices, including the regional offices, to ensure they effectively complement the new operation;

- The Department's FY 1999 budget request is consistent with the funding recommendations made by General Kelly; and

- At the Department's direction, NOAA created a new position for a Chief Financial Officer in the National Weather Service to improve financial management.

The Department is continuing to assess NOAA's progress and will take an active role in management oversight to ensure that it proceeds expeditiously and without unnecessary additional expense.

NIST Capital Improvements Facilities Program

The Inspector General raised concerns that the Department was not sufficiently involved in the planning and implementation of NIST's Capital Improvement Facilities Program.

The Department has taken an active role in overseeing the development of NIST's facilities plans. Working with NIST and Booz-Allen & Hamilton, Inc., to review NIST's plan to upgrade its laboratory facilities, the Department documented that without intervention, the performance deterioration caused by facilities inadequacies would seriously impede, if not invalidate, NIST's ability to maintain standards in weights and measures. The Department used these and other findings about NIST's facilities to provide the Institute with guidance on meeting their future needs in a cost-efficient manner. These findings were used to guide the Department's FY 1999 budget request.

During the coming year, the Department will continue its overall look at the future direction of scientific research and construction projects at NIST. This review will be used to establish priorities for NIST's scientific research agenda and link these to the NIST's facilities plans.

Financial Management/CAMS

The Inspector General raised concerns that: (a) the Department's financial management structure is not effective in establishing adequate financial management systems and controls, and (b) the Commerce Administrative Management System (CAMS) is substantially over its original estimated cost and continues to experience unanticipated performance shortfalls and schedule delays.

The Department changed management in key positions to ensure that effective attention is given to improving Commerce financial management systems, controls, and data.

The Department contracted with Andersen Consulting to review progress in developing CAMS. Based on the results of that review, the Department took several steps to reduce expenditures and impose greater control over the project's direction. These include: (a) NOAA's use of the Accounts Payable Module, and (b) the Census Bureau implementing CAMS software as a full-scale financial management pilot, with results expected in June 1998. Until then, the Department has directed the bureaus to curtail CAMS-related activities and spending. These steps will reduce FY 1998 costs to $17 million -- a 45 percent reduction -- and provide the Department with the opportunity to judge the results of the pilot. In the meantime, the Department will also consider other approaches to support financial management that were not available when the CAMS project was initiated.

The Department will improve the timeliness and quality of financial information provided to decision makers at all levels of Commerce. Two key outcomes will be consolidated financial statements that gain an unqualified audit opinion and implementation of a Departmentwide financial management system that meets all applicable accounting and Federal system standards.

NOAA Fleet

The Inspector General raised concerns that: (a) most of NOAA's planned fleet investment and expenditures are wasteful and should not be made, (b) NOAA can obtain better data collection and ship services at lower cost if it acquires these services from the private sector, and (c) outsourcing would give NOAA program managers greater access to the latest technologies and more cost-effective platforms.

The Department has taken an active role in overseeing NOAA's efforts to develop alternatives to maintaining the NOAA fleet. In FY 1997, NOAA outsourced 1,460 of its Days at Sea (DAS) -- 33 percent of its total DAS. In addition, NOAA plans to outsource 1,771 DAS in FY 1998. NOAA has been working with university vessel operators on a Memorandum of Agreement that calls for the joint scheduling of NOAA and university oceanographic research ships. This will permit greater access to both NOAA and university scientists to the most cost-efficient vessels available. Over the past few years NOAA has decommissioned one-half of its hydrographic fleet and is moving ahead with plans to contract with the private sector for much of its hydrographic data requirements.

In its most recent review (October 1997), NOAA has forecast the following data acquisition needs

through 2008 to meet current mission requirements:

- NOAA will require capacity for 4,420 DAS to carry out its fisheries and marine mammal assessment surveys;

- Replacement vessel capacity of 1,620 DAS -- or 37 percent of the total -- will be needed as NOAA's current fisheries research vessels reach the end of their useful lives;

- 2,100 DAS -- 47 percent of the total -- can be met by charters and University-National Oceanographic Laboratory System (UNOLS) ships; and

- 700 DAS -- 16 percent of the total -- can be met through cooperative state and foreign programs.

These projections reflect a minimum of 47 percent outsourcing. NOAA indicates that -- depending on cost efficiencies and program requirements -- the replacement capacity may or may not be met through vessels owned and operated by NOAA. The agency may face requirements for a higher number of DAS due to amendments to the Magnuson-Stevens Fisheries Conservation and Management Act and the Marine Mammals Act. NOAA is continuing its analysis of the requirements of these acts. During the current year, the Department will be encouraging NOAA to explore alternatives.

Year 2000 Problem

The Inspector General raised concerns that: (a) most of the Department's accounting and feeder systems use two-digit year dates that will become inaccurate beyond December 31, 1999, and (b) if the problem is not corrected, there is a serious risk that the Department's mission-critical computer applications will cease functioning properly.

To address these issues, the Department assumed responsibility for managing the Year 2000 program centrally and is providing policy guidance and oversight to the bureaus which, in turn, are responsible for assessment, renovation, testing/validation, and implementation activities. Schedules have been defined for each of these phases.
OMB recently rated the Department as one of nine agencies making progress, but still having concerns. In November 1997, 53 percent of mission-critical systems were Year 2000 compliant. This is almost twice the government-wide average of 27 percent.

The Department will be providing continuous attention to the performance of bureaus in adhering to schedules for renovating, testing, validating, and implementing necessary changes.

NOAA Corps

The Inspector General raised concerns that the Department's plan to disestablish the NOAA Corps would lead to converting too many officers to civilian positions, thereby locking in the current organizational structure and limiting opportunities for outsourcing.

Despite the Inspector General's concerns, NOAA is actively increasing outsourcing. For example, as noted above NOAA has increased outsourced charter DAS from 1,460 in FY 1997 to 1,771 in FY 1998.

NOAA Corps officers continue to perform valuable functions within NOAA. As the number of NOAA Corps officers has declined, NOAA has filled a number of mission-critical positions held by Corps officers with civil service personnel.

2000 Decennial Census

The Decennial Census will be the largest peacetime mobilization in our Nation's history and presents a number of management challenges. The Inspector General raised concerns regarding design, automated systems, cost modelling, staff turnover, and procurement at Census. Each of these problems is being addressed at present.

Census has implemented several planning and management improvements, including creating an integration team to ensure that the progress and design of individual components are compatible with the overall Decennial plan, and developing a decision path that shows schedules, milestones, and interdependencies among the design components. Census is also working to develop plans to minimize staff turnover and to fill key vacancies.

The Secretary, Deputy Secretary, Chief Financial Officer and Assistant Secretary for Administration, and the Undersecretary for Economic Affairs have established a number of teams (such as procurement, human resources, information technology, budget and cost modelling, space, printing, communications, and so forth) to ensure that all necessary support and oversight are available to meet the demands of conducting the Decennial.

During the coming year, the Department will work diligently to ensure that Census 2000 provides an accurate count of all Americans. Two priorities will be: to put in place a permanent Director of the Census and to support Congressional oversight. Additionally, the Department will continue to review and manage risks associated with management functional areas, such as procurement, property, etc.

As these accomplishments and planned actions indicate, Secretary Daley has assembled a dedicated senior management team that will help him approach management and other critical issues in a thoughtful and fiscally responsible fashion. Addressing management challenges and measuring performance will continue to be core duties of all Commerce professionals. Commerce employees are stewards of a public trust -- and each of them, from employees on the front line through the Department's highest officials, will continue to insist on accountability in all of their actions.

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